

REED STRINGHAM (4679)
Assistant Utah Attorney General
SEAN D. REYES (7969)
Utah Attorney General
160 East 300 South, 5th Floor
P.O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 366-0375
rstringham@utah.gov

Attorneys for Complainant Utah Insurance Department

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

UTAH INSURANCE DEPARTMENT, Complainant, vs. AMERICAN FAMILY MUTUAL INSURANCE COMPANY, Respondent.	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER Docket No. 2017-085 PC Enforcement No. 3935 Lisa Watts Baskin Presiding Officer
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Complainant Utah Insurance Department and Respondent American Family Mutual Insurance Company have stipulated to entry of the following Findings of Fact, Conclusions of Law, and Order. Based on that stipulation, and good cause appearing, the Presiding Officer makes and enters the following:

FINDINGS OF FACT

1. Respondent is an insurer domiciled in Wisconsin and authorized to do business in Utah.

2. Between September 2013 and August 2016, Respondent mailed to 43,903

Utah policyholders policy endorsements that contained the following language:

Matching of Undamaged Property. We will not pay to repair or replace undamaged property due to mismatch between undamaged material and new material used to repair or replace damaged material because of: a. fading, oxidation, weathering differences; b. wear and tear, marring, scratching, deterioration; or c. obsolescence or discontinuation. However, when a loss requires replacement or repair of items and the repaired or replaced items do not match in color, texture, or size, we will repair or replace the items so as to conform to a reasonably uniform appearance. We do not cover the loss in value to any property due to mismatch between undamaged material and new material used to repair or replace damaged material.

CONCLUSIONS OF LAW

1. The Utah Insurance Commissioner has jurisdiction over Respondent and over this matter.
2. The language set forth in paragraph 2 above was misleading, unfair, and not in the public interest pursuant to Utah Code § 31A-23a-201(3)(a)(i).
3. The proper penalty for Respondent's violation of Utah Code § 31A-23a-201(3)(a)(i) is \$39,400.


ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is ordered:

1. Respondent shall pay a penalty of \$39,400 for the violations of Utah insurance law set forth above.
2. Respondent shall pay the penalty within 30 days of the date of signing this order.
3. Respondent shall commit no further violations of the laws referenced in the Conclusions of Law.

DATED this 21st day of September, 2017.

TODD E. KISER
Utah Insurance Commissioner


LISA WATTS BASKIN
Presiding Officer

NOTICE TO RESPONDENT

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 per day for continued violation. You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.