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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

<p>UTAH INSURANCE DEPARTMENT,</p> <p>Complainant,</p> <p>v.</p> <p>GALLAGHER BASSETT SERVICES,</p> <p>Respondent.</p>	<p>STIPULATION AND ORDER</p> <p>Docket No. 2018-005 PC Enf. Case No. 3958</p> <p>Lisa Watts Baskin, J.D. Administrative Law Judge</p>
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STIPULATION

The Utah Insurance Department (“Department”), by and through its legal counsel, and Gallagher Bassett Services (“Respondent”), by and through its Director of Compliance, hereby stipulate and agree as follows:

1. The Department has jurisdiction over the parties and subject matter of this administrative action.
2. Respondent acknowledges notice of agency action pursuant to Utah Code Section 63G-4-201; acknowledges that this Stipulation and Order is an informal proceeding pursuant to Utah Code Section 63G-4-202; and irrevocably waives the right to any hearing, review or appeal concerning this matter.

3. Respondent is aware of its right to be represented by legal counsel and has either sought the advice of legal counsel or waived its right to do so.

4. This signed Stipulation and the signed Order, along with any Findings of Fact and Conclusions of Law, shall not be subject to any reconsideration, renegotiation, modification, hearing or agency review or appeal.

5. The Findings of Fact and Conclusions of Law presented below are accepted by the parties.

6. The issuance of the signed and adopted Order proposed below is solely for disposing of the specific matter entitled herein.

7. The only promises, agreements and understandings that the parties have regarding this matter are contained in this Stipulation.

8. Respondent enters into this Stipulation voluntarily, knowingly, and free from any coercion of any kind.

9. The persons signing this Stipulation on behalf of the named parties hereby affirm that they are authorized to sign and bind the parties.

Dated this 23rd day of May, 2018

/s/ Mark Lechowicz

Mark Lechowicz, Chief Compliance Officer
GALLAGHER BASSETT SERVICES

Dated this 23rd day of May, 2018

/s/ Helen A. Frohlich

Helen A. Frohlich, Assistant Attorney General
UTAH INSURANCE DEPARTMENT

Based upon the foregoing Stipulation and Department file, the Administrative Law Judge makes the following Findings of Fact:

FINDINGS OF FACT

1. Respondent, Gallagher Bassett Services, is a non-resident Third Party Administrator holding license number 6364.
2. Respondent's mailing address is 2850 Golf Road, Rolling Meadows, IL 60008.
3. A final demand letter packet was sent to Respondent on March 22, 2017 by or on behalf of a claimant. Respondent did not reply until June 22, 2017.
4. After the June 22, 2017 contact, Respondent did not communicate with the claimant's representative until August 4, 2017.
5. On 28 occasions when claimant requested a substantive response from Respondent, Respondent responded only 5 times.
6. Respondent was fined \$1,500.00 in July 2017 for a similar claim delay. The Department and Respondent have agreed to an administrative forfeiture of \$4,000.00.

Based upon the foregoing Stipulation and Findings of Fact, the Administrative Law Judge enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Code Section 31A-26-303 outlines unfair claim settlement practices. Subsection (3) provides that failing to acknowledge and act promptly upon communications about claims under insurance policies; and failing to adopt and implement reasonable standards

for the prompt investigation and processing of claims under insurance policies are unfair claims settlement practices.

2. Respondent violated this provision by failing to communicate with the complainant in a timely manner or show justification for claim delay. Respondent has advised that they have implemented ongoing training and coaching on timely communication and documenting justification for the delay of claims.

3. Respondent failed to implement the prompt investigation and processing of a claim. Respondent has advised that they have implemented ongoing training and coaching on timely investigation of claims.


4. An administrative penalty of \$4,000.00 is appropriate under the circumstances.

ORDER

Respondent, Gallagher Bassett Services, is hereby assessed an administrative penalty of \$4,000.00 to be paid to the Department with 30 days of the date this Order is signed.

DATED this 23rd day of May, 2018.

TODD E. KISER
Insurance Commissioner



LISA WATTS BASKIN, J.D.
Administrative Law Judge
Utah Insurance Department

NOTIFICATION 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.