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

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**UTAH INSURANCE DEPARTMENT,**  
  
Complainant,  
  
v.  
  
**FARM BUREAU PROERTY &  
CASUALTY COMPANY,**  
  
Respondent.

**STIPULATION AND ORDER**

**Docket No. 2018-042 PC  
Enf. Case No. 3994**

Lisa Watts Baskin, J.D.  
Administrative Law Judge

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**STIPULATION**

The Utah Insurance Department (“Department”), by and through its legal counsel, and Farm Bureau Property & Casualty Company (“Respondent”), by and through its Claims Administration Director, 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 in this matter, and has either sought the advice of, and representation by, legal counsel or has 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 31<sup>st</sup> day of May, 2018

/s/ Lisa Kneeskern

Lisa Kneeskern, Claims Administration Director  
FARM BUREAU PROPERTY & CASUALTY  
COMPANY

Dated this 31<sup>st</sup> 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, Farm Bureau Property & Casualty Company, is a non-resident producer organization holding license number 13773.
2. Respondent's mailing address is 5400 University Avenue, West Des Moines, IA 50266.
3. On or about February 9, 2018, the Department received a complaint regarding Respondent's failure to timely pay covered claims submitted in late 2017. The Department opened an investigation.
4. On or about November 14, 2017, the Complainant began treatment of a patient who had sustained injuries in an automobile accident.
5. The Complainant billed Respondent each time treatment was rendered and asserts the bills were not timely paid. On or about January 15, 2018, the Complainant contacted Respondent about the outstanding unpaid medical bills. The Respondent stated the bills were being reviewed by Respondent's medical bill review vendor.
6. As of February 9, 2018, Complainant had not received payment. The Department contacted Respondent on February 10, 2018 requesting a response as to why it had not paid the medical bills.
7. The majority of the payments due to the Complainant were issued on January 31, 2018. The final payment, with interest, was made to the Complainant on or about February 15, 2018.

8. On February 16, 2018, Respondent contacted the Department and acknowledged the unnecessary delay in payments and informed the Department that the payments had been made, with interest.

9. Respondent further stated that it is implementing corrective procedures to ensure this does not happen in the future.

10. Respondent has agreed to an administrative forfeiture in the amount of \$4,000.00 to be paid to the Department.

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-22-309(5) addresses timely payment of claims and states that any claim is overdue for payment if not paid within 30 days after submission with reasonable proof. Interest must be added to any overdue payment. Respondent violated this provision when it did not pay the claims within the 30 day time period.

2. Utah Administrative Code R590-190-10(3) also provides that an insurer shall promptly pay every valid claim within 30 days in order not to be deemed overdue. Respondent violated this rule when it failed to pay the medical claims until it was contacted by the Department.


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

**ORDER**

Respondent, Farm Bureau Property & Casualty Company, is hereby assessed an administrative forfeiture of \$4,000.00 to be paid to the Department with 30 days of the date this Order is signed.

DATED this 1<sup>st</sup> day of June, 2018.

TODD E. KISER  
Insurance Commissioner

  
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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.


**CERTIFICATE OF MAILING**

The undersigned hereby certifies that on this date, a true and correct copy of the foregoing **STIPULATION AND ORDER** was regularly mailed and electronically mailed to the following:

Farm Bureau Property & Casualty Company  
Attn: Lisa Kneeskern  
5400 University Avenue  
West Des Moines, IA 50266  
[lisa.kneeskern@fbfs.com](mailto:lisa.kneeskern@fbfs.com)

Helen A. Frohlich  
Assistant Attorney General  
PO Box 140874  
Salt Lake City, UT 84114  
[hfrohlich@agutah.gov](mailto:hfrohlich@agutah.gov)

DATED this 1<sup>st</sup> day of June, 2018

  
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Jeanine P. Couser  
Utah Insurance Department  
State Office Building, Room 3110  
Salt Lake City, UT. 84114-6901