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

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<p><b>UTAH INSURANCE DEPARTMENT,</b></p> <p>Complainant,</p> <p>v.</p> <p><b>FARM BUREAU PROERTY &amp; CASUALTY COMPANY,</b></p> <p>Respondent.</p>	<p><b>STIPULATION AND ORDER</b></p> <p><b>Docket No. 2018-3998</b></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 Farm Bureau Property & Casualty Company (“Respondent”), by and through its Claims Vice President, 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 18<sup>th</sup> day of May, 2018

/s/ Jay Seiboldt

Jay Seiboldt, Claims Administration Director  
FARM BUREAU PROPERTY & CASUALTY  
COMPANY

DATED this 18<sup>th</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 September 8, 2017, the Department received a consumer complaint regarding delayed payments and an unsatisfactory settlement offer. The Department opened an investigation.
4. On or about December 6, 2017, the Department requested a breakdown of payments.
5. On or about December 13, 2017, Respondent indicated that the requested information was not located in the claim file, but on a previous adjuster's laptop. Respondent indicated it would attempt to retrieve the information.
6. On or about December 21, 2017, Respondent sent the requested documentation to the Department; however, the documentation was insufficient in that it was not broken down to correlate with checks issued to the complainant and Respondent could not explain what items the checks covered.
7. Respondent provided a copy of their Claims Best Practices and indicated that their Quality Assurance team conducts periodic reviews.
8. Respondent has agreed to an administrative forfeiture in the amount of \$9,000.00 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 Administrative Code R590-190-4 provides that an insurer shall maintain detailed documentation in each claim file to permit reconstruction of the insurer's activities relative to the claim. Respondent violated this rule when it could not readily provide the requested information to the Department, and when the documentation was provided, it was insufficient to correlate checks paid to individual items for the claimant.


2. An administrative penalty of \$9,000.00 is appropriate under the circumstances.

**ORDER**

Respondent, Farm Bureau Property & Casualty Company, is hereby assessed an administrative forfeiture of \$9,000.00 to be paid to the Department with 30 days of the date this Order is signed.

DATED this 7<sup>th</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.