

HELEN A. FROHLICH #8814
Assistant Utah Attorney General
SEAN D. REYES #7969
Utah Attorney General
Attorneys for Utah Insurance Department
160 East 300 South, 5th Floor
P.O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 366-0375
hfrohlich@agutah.gov

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF UTAH

<p>UTAH INSURANCE DEPARTMENT, Complainant, vs. JOSHUA CHICHONI, Respondent.</p>	<p>FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER Docket No. 2019-4076</p>
---	---

Complainant, Utah Insurance Department ("Department") and Respondent, Joshua Chichoni ("Respondent"), by and through counsel, have stipulated to entry of the following Findings of Fact, Conclusions of Law, and Order. Based upon that Stipulation, and good cause appearing, the Presiding Officer makes and enters the following:

FINDINGS OF FACT

1. Respondent is a resident individual producer holding Utah license number 455841.
2. Respondent's mailing address is 226 E. Crossroads Blvd., Saratoga Springs, UT 84045.
3. Respondent was terminated for cause from State Farm on December 1, 2016 for

applying Company discounts to certain customers' policies when they did not qualify for them. Specifically, he listed single individuals as married and also insured phantom vehicles.

4. Respondent admitted to the Department that he engaged in the conduct set forth in paragraph 3 for at least a month during 2016 and also explained that he stopped such activity on his own.

5. After being terminated from State Farm, Respondent began working for Allstate Insurance Company ("Allstate").

6. Allstate terminated Respondent for cause on June 6, 2018 because he altered proof of a client's prior insurance coverage and then submitted the proof to Allstate in order to obtain a better insurance rate for his client.

7. Respondent contends that after submitting the proof he independently confirmed that the client actually did not have prior coverage and then notified the client that he did not qualify for the coverage. Respondent also contends that no insurance policy was issued to the client. The Department disputes these contentions.

8. If this case were tried, the Department contends that it could prove eight more instances in which Respondent altered and submitted to Allstate proofs of prior insurance coverage. Respondent disputes this contention.

9. Respondent is now an agency owner for Farmers Insurance Group.

10. The Department and Respondent have agreed to an administrative forfeiture of \$5,685.00 and 24 months of probation, the terms of which are outlined in the Order.

CONCLUSIONS OF LAW

1. The Utah Insurance Commissioner ("Commissioner") has jurisdiction over the parties

and this adjudicative proceeding pursuant to Utah Code §§ 31A-1-105 and 31A-2-201.

2. The Commissioner has legal authority to impose penalties on licensees who violate the Utah Insurance Code pursuant to Utah Code § 31A-2-308.

3. Respondent violated Utah Code § 31A-23a-402(1)(a)(i) when he manipulated data and submitted fraudulent documents to insurance companies.

4. As penalties for the violations in this case, Respondent should be ordered to pay a forfeiture of \$5,685.00 and be placed on probation for 24 months as outlined below.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby Ordered that:

1. Respondent shall pay a forfeiture of \$5,685.00 for the violations described in the Conclusions of Law.

2. Respondent shall pay the forfeiture in monthly installments of \$236.00, with a final payment of \$257.00. The payments will be made to the Department on the first of each month.

3. Respondent is placed on probation for a period of 24 months from the date this Order is signed.

4. Every three months during the probationary period, Respondent shall provide the Department with a list of all policies he has sold during the prior three months. The list shall be sent to Tracy Klausmeier, tklausmeier@utah.gov, by the first day of each quarter.

5. Based on the number of policies submitted, the Department will determine how many to audit. Once the number has been determined, Respondent is required to submit the signed application and all documents with attachments for the files flagged for audit. The Department

may ask Farmers Insurance Group, or any other agency for which Respondent writes policies, to provide the same information for comparison. The Department may also reach out to the insureds to verify the accuracy of the information.

6. Failure to pay the forfeiture, or to submit the list of policies and requested documentation, will result in additional administrative action.

7. Respondent is ordered not to commit the violations described in the Conclusions of Law in the future. Any further violation of the Utah Insurance Code or Administrative Rules will result in a new action against Respondent, potentially seeking revocation of his license.

DATED this 1st day of December, 2020.

TANJI J. NORTHRUP
Interim Utah Insurance Commissioner

Tanji Northrup Digitally signed by Tanji Northrup
Date: 2020.12.01 09:12:53 -07'00'
Utah Insurance Department

NOTICE TO RESPONDENT

Failure to obey this Order may subject you to further penalties that include forfeitures of up to \$2,500 per violation, with each day of the violation constituting a separate violation. Other penalties for failing to obey this Order may include license suspension, probation, refusal to renew, or revocation. Failure to obey this Order may also result in an action taken against you in a court of competent jurisdiction where forfeitures of up to \$10,000 for each day the failure to comply continues until judgment is rendered. If you are licensed in other jurisdictions, you may be required to report this proceeding to those jurisdictions.

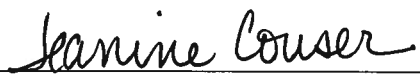
CERTIFICATE OF SERVICE

The undersigned certifies that on this date a true and correct copy of the foregoing Findings of Fact, Conclusions of Law and Order was emailed to:

D. Scott Crook
Crook & Taylor Law
scott@crooktaylorlaw.com

Helen A. Frohlich
Assistant Attorney General
hfrohlich@agutah.gov

DATED this 1st day of December, 2020.



Jeanine Couser
Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114