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BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT, Complainant, vs. LM GENERAL INSURANCE COMPANY, Respondent.	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER Docket No. 2019-4113 Lisa Watts Baskin Presiding Officer
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Complainant, Utah Insurance Department ("Department") and Respondent, LM General Insurance Company, 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 property and casualty insurer domiciled in Illinois and authorized to do business in Utah.
2. Respondent's mailing address is 175 Berkeley Street, Mail Stop M07d, Boston, MA 02116.

3. Respondent has been penalized twice for claim delay. (Docket No. 2016-072-PC, June 27, 2016, and Docket No. 2016-128-PC, December 13, 2016.)

4. The Department received a consumer complaint regarding claim delay in June 2018.

5. During the investigation, Respondent provided a list of 3,147 claims that were opened since August 24, 2016 and identified 700 of them that were not resolved within 30 days.

6. The Department requested that the Respondent review a sample of 84 claims to determine the reason for the delay.

7. Respondent found 14 instances where the claim exceeded 30 days and the company had not sent a written notice of the delay.

8. The Department and Respondent have agreed to an administrative forfeiture of \$70,000.00 and a two year probation.

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 the Department's licensees who violate the Utah Insurance Code. Utah Code § 31A-2-308.

3. Under Utah Admin Code R590-190-10(2), within 30 days after receipt of a properly executed proof of loss, Respondent is required to complete its claim investigation and advise Claimant of the acceptance or denial of the claim, unless the investigation cannot be reasonably completed within that time. If Respondent needs more time to investigate the claim, Respondent is required to notify Claimant within 30 days after receipt of the proof of loss, giving

the reasons more time is needed. If the investigation remains incomplete, Respondent is required, within 45 days after sending the initial notification and within every 45 days thereafter, to send to Claimant a letter setting forth the reasons additional time is needed. Respondent violated this statute when it failed to send a written notice of the delay when claims exceeded 30 days.

4. As penalties for the violations in this case, Respondent should be ordered to pay a forfeiture of \$70,000.00 and be placed on probation for two years from the date of this order.

ORDER

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


1. Respondent shall pay a forfeiture of \$70,000.00 for the violations described in the Conclusions of Law.

2. Respondent is placed on probation for a period of two years beginning on the date this order is signed. Any additional violations will result in further penalties.

3. Respondent is ordered not to commit the violations described in the Conclusions of Law in the future.

DATED this 1st day of May, 2019.

TODD E. KISER
Utah Insurance Commissioner



Lisa Watts Baskin
Presiding Officer
Utah Insurance Department

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.

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:

Sean F. O'Connor
Regulatory Counsel
Sean.OConnor@LibertyMutual.com

Helen A. Frohlich
Assistant Attorney General
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DATED this 1st day of ~~March~~ ^{May}, 2019.



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