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**BEFORE THE UTAH INSURANCE COMMISSIONER**

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UTAH INSURANCE DEPARTMENT,  Complainant,  vs.  SCOTT NATIONAL ASSURANCE COMPANY,  Respondent.	NOTICE OF INFORMAL ADJUDICATIVE PROCEEDING AND ORDER  Docket No. 2020-4211  Lisa Watts Baskin Presiding Officer
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**NOTICE OF AGENCY ACTION**

The Utah Insurance Department (“the Department”) commences this informal adjudicative proceeding against Respondent Scott National Assurance Company (“Respondent”) pursuant to Utah Code §§ 31A-2-201 and 63G-4-201 through -203, and to Utah Admin. Code R590-160.

This informal adjudicative proceeding is based on the facts and law set forth in the attached Declaration and is designated as an informal adjudicative proceeding pursuant to Utah Code § 63G-4-202(1) and Utah Admin Code R590-160-4 and -8.

## ORDER

Based on the facts and the law set forth in the attached Declaration, and good cause appearing, the Utah Insurance Commissioner orders as follows:

1. Respondent shall forfeit to the Department the amount of \$50.00.
2. Respondent shall submit its 2018 Annual Audit by June 30, 2020.
3. Failure to submit the 2018 Annual Audit by June 30, 2020 will result in further proceedings, including potential license revocation.
4. Pursuant to Utah Code § 63G-4-203(1)(i) and Utah Admin. Code R590-160-8(1), this informal adjudicative proceeding shall be deemed closed, and this Order shall become final and take full effect, 15 days after this Notice of Informal Adjudicative Proceeding and Order is emailed to Respondent unless a request for a hearing on this matter is received from Respondent prior to that date.
5. A request for a hearing shall be sent by email to [uidadmincases@utah.gov](mailto:uidadmincases@utah.gov) or by U.S. mail to Office of the Administrative Law Judge, Utah Insurance Department, 3110 State Office Building, Salt Lake City, UT 84114. The request for hearing shall be signed by the person making the request and shall state the basis for the relief requested.

6. If you fail to request a hearing you will be bound by this Order. Failure to request a hearing will be deemed a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

DATED this 2<sup>nd</sup> day of April, 2020.

TODD E. KISER  
Utah Insurance Commissioner



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LISA WATTS BASKIN  
Presiding Officer  
Utah Insurance Department  
3110 State Office Building  
Salt Lake City, UT 84114  
801-538-3860  
Email: [uidadmincases@utah.gov](mailto:uidadmincases@utah.gov)

**NOTICE REGARDING ENFORCEMENT OF THE ORDER**

Failure to obey the Order may subject you to further penalties that include forfeitures of up to \$2,500 per violation, license suspension or revocation, further enforcement action before the Utah District Court where forfeitures of up to \$10,000 may be imposed. If you are licensed in other jurisdictions, you may be required to report this proceeding to those jurisdictions.

## DECLARATION

Under criminal penalty of Utah law, I, Mark Wiedeman, declare the following:

1. I am currently employed as the Assistant Director of the Captive Division of the Utah Insurance Department (“Department”) where my responsibilities include investigating and enforcing Utah insurance laws.

2. I submit this Declaration as the basis for issuing the Notice of Informal Adjudicative Proceeding and Order against Scott National Assurance Company (“Respondent”) to which this Declaration is attached.

3. Based on my personal knowledge and/or based on the facts appearing in the Department’s records and files, the following facts are true:

a. Respondent is a pure captive whose office is located in Kentucky but for purposes of insurance is licensed and domiciled in the State of Utah. Respondent’s license number is 170530.

b. Respondent is required by Utah Admin. Code R590-238-6(1) to have an annual audit by an independent certified public accountant approved by the commissioner. The report for the preceding year shall be filed with the Department by June 30.

c. Respondent failed to file its 2018 Annual Audit on or before June 30, 2019.

d. Respondent requested several extensions of time; however, to date the audit still has not been filed.

4. The above declared facts demonstrate that the following Utah insurance law(s) were not complied with:

a. Respondent violated Utah Admin. Code R590-238-6(1) by failing to have an annual audit by an independent certified public accountant approved by the commissioner.

Respondent failed to file the report for the preceding year with the Department by June 30.

5. Based on Utah Code § 31A-2-308 and other similar enforcement cases, the proper forfeiture for the violation(s) should be \$50.00.

Signed on this 1<sup>st</sup> day of April, 2020, at Salt Lake City, Utah.

*/s/ Mark Wiedeman*

Mark Wiedeman

Captive Division Assistant Director

Utah Insurance Department