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BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT,	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER
Complainant,	
vs.	
STATE LIFE INSURANCE COMPANY,	Docket No. 2020-4241
Respondent.	

Complainant, Utah Insurance Department ("Department") and Respondent, State Life Insurance Company ("Respondent"), have stipulated to entry of the following Findings of Fact, Conclusions of Law, and Order. Based upon that stipulation, and good cause appearing, the following are made and entered:

FINDINGS OF FACT

1. Respondent is a life insurer marketing life, annuity, and long term care plans. Respondent is domiciled in Indiana and holds Utah license number 1284.
2. Respondent's mailing address is PO Box 368, Indianapolis, IN 46206.
3. In July 2019, the Department began investigating a consumer complaint against the

Respondent for delays in determining eligibility for long term care benefits.

4. The consumer started a claim on January 24, 2019 and did not receive a claim decision from Respondent until October 10, 2019. Even with 135 days tolled and a 15 day extension, Respondent exceeded the statutory requirement for claims investigation by 79 days.

5. Respondent's notification of benefit determination did not include a statement of the claimant's right to bring civil action.

6. The consumer submitted a written appeal to Respondent on December 2, 2019 but did not receive an appeal decision until February 26, 2020. Respondent's "Appealing a Claim" policy provision states that a decision will be made within 30 days of receiving an appeal

7. The Department and Respondent have agreed to an administrative forfeiture of \$2,500.00.

CONCLUSIONS OF LAW

1. The Utah Insurance Commissioner ("Commissioner") has jurisdiction over the parties and this informal 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. Utah Code § 31A-26-301.6(3)(a) provides that an insurer shall pay or deny a claim within 30 days of the day on which the insurer receives a written claim. Respondent violated this provision by failing to notify the consumer of its determination within 30 days.

4. Utah Admin. Code R590-192-8(1)(d) requires Respondent to provide notification of the benefit determination to the claimant which includes a statement of the claimant's right to bring civil action. Respondent's notification of benefit determination did not include a statement

of the claimant's right to bring civil action.

5. Utah Code § 31A-26-303(3)(a) requires Respondent to acknowledge and act promptly upon communications about claims under insurance policies. Respondent violated this section when it failed to notify the consumer of its decision within 30 days of receiving the consumer's written appeal.

6. As penalties for the violations in this case, Respondent should be ordered to pay a forfeiture of \$2,500.00.

ORDER

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

1. Respondent shall pay a forfeiture of \$2,500.00 for the violations described in the Conclusions of Law.
2. Respondent is ordered not to commit the violations described in the Conclusions of Law in the future and has 30 days from the date of this Order to remedy the issues outlined herein.

DATED this 13th day of October, 2020.

TANJI NORTHRUP
Interim Utah Insurance Commissioner

/s/ Reed Stringham - Designee
Utah Insurance Company
3110 State Office Building
Salt Lake City, UT 84114
801-538-3860
Email: uidadmincases@utah.gov

NOTICE TO RESPONDENT

Failure to obey this Order may subject you to further penalties that include a forfeiture 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.