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BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT, Complainant,	AMENDED NOTICE OF AGENCY ACTION AND ORDER
vs.	
COMMENCEMENT BAY RISK MANAGEMENT INSURANCE COMPANY, Respondent.	Docket No. 2021-4314 Donald H. Hansen Presiding Officer

NOTICE OF AGENCY ACTION

The Utah Insurance Department (the “Department”) commences this informal adjudicative proceeding against Respondent Commencement Bay Risk Management Insurance Company (“Respondent”) pursuant to Utah Code §§ 31A-2-201 and 63G-4-201 through -203 and 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 \$3,000.00.
2. 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 Agency Action and Order is emailed to Respondent unless a written request for a hearing on this matter is received from Respondent prior to that date.
3. A request for a hearing shall be sent by email to uidadmincases@utah.gov or by U.S. mail to Office of the Administrative Law Judge, Utah Insurance Department, 4315 South 2700 West, Ste. 2300, Taylorsville, UT 84129. The request for hearing shall be signed by the person making the request and shall state the basis for the relief requested.
4. 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 7 day of April, 2021.

JONATHAN T. PIKE
Utah Insurance Commissioner



Donald H. Hansen
Presiding Officer
4315 South 2700 West, Ste. 2300
Taylorsville, UT 84129
801-957-9321
Email: uidadmincases@utah.gov

NOTICE REGARDING ENFORCEMENT OF THIS ORDER

Failure to obey this Order may subject you to further penalties that include a forfeiture of up to \$5,000 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.

DECLARATION

Under criminal penalty of Utah law, I, William Stimpson, declare the following:

1. I am currently employed as a Market Conduct Examiner with 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 Agency Action and Order against Commencement Bay Risk Management Insurance 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 an insurer domiciled in the State of Washington and is authorized to do insurance business in the State of Utah. Respondent’s license number is 180873.

b. Pursuant to Utah Code § 31A-21-201(1), a form may not be used, sold, or offered for sale until the form is filed with the Utah Insurance Commissioner (“Commissioner”).

c. Utah Admin. Code R590-220 provides the filing requirements for all types of accident and health insurance products.

d. Pursuant to Utah Admin. Code R590-220-5(3), a rejected filing is not considered filed with the Department.

e. On March 10, 2020, Respondent’s representatives met with the Department regarding filing requirements to offer large group stop-loss in Utah. During that meeting,

Respondent's representatives informed the Department that Respondent had multiple Utah policyholders covered under stop-loss products.

f. On March 31, 2020, Respondent filed, via the System for Electronic Rate and Form Filing ("SERFF"), stop-loss product forms.

g. Respondent's filings prompted the Department to file, via SERFF, a 72-Hour Notice to correct the filings with a due date of April 7, 2020.

h. On April 8, 2020, having received no response from Respondent regarding the 72-Hour Notice, the Department marked Respondent's filings "Rejected."

i. On April 20, 2020 and May 19, 2020, Respondent filed, via SERFF, new stop-loss product forms, which the Department marked "Filed for Use."

4. The above declared facts demonstrate that the following Utah insurance law was not complied with:

a. Utah Code § 31A-21-201(1), using, selling, or offering for sale a form before filing that form with the Utah Insurance Commissioner.

5. Based on Utah Code § 31A-2-308 and other similar enforcement cases, the proper forfeiture amount for this violation is \$3,000.00.

Signed on this 6th day of April, 2021, at Salt Lake City, Utah.

/s/ William Stimpson
William Stimpson, Market Conduct Examiner
Utah Insurance Department