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BEFORE THE UTAH INSURANCE COMMISSIONER

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| <p style="text-align: center;">UTAH INSURANCE DEPARTMENT, Complainant, vs. USAA LIFE INSURANCE COMPANY, Respondent.</p> | <p style="text-align: center;">FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER</p> <p>Docket No. 2023-4466</p> <p>Donald H. Hansen Administrative Law Judge/Presiding Officer</p> |
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Complainant, Utah Insurance Department ("Department") and Respondent, USAA Life 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 life insurer licensee, domiciled in Texas, holding Utah license number 752.
2. Respondent's mailing address is [REDACTED]

██████.

3. Respondent was the subject of a consumer complaint and subsequent investigation by the Department.

4. Utah Admin. Code R590-191-4 states “within 30 days of receipt of proof of loss from the claimant, the insurer shall complete the investigation of a claim, unless such investigation cannot reasonably be completed within such time. It shall be the burden of the insurer to establish, by adequate records, that the investigation could not be completed within 30 days, the insurer shall communicate to the claimant a written explanation as to the reasons for the delay and shall continue to so communicate at least every 30 days until the claim is either settled or denied.”

5. On February 9, 2022, ██████████ purchased a deferred 3-year annuity through USAA Life Insurance Company. ██████████ passed away on April 5, 2022. All required paperwork for the payment of the death benefit was submitted to the Respondent on April 27, 2022, but the death benefit claim was not paid until August 11, 2022.

6. Respondent failed to communicate with the claimant in writing at least every 30 days from the date the paperwork was submitted through the date the claim was paid explaining the reason for the delay in the settlement of the claim as required by R590-191-4.

7. In their January 9, 2023, response to the Department’s requests for information, the Respondent acknowledged they did not provide the required written explanation related to the delayed processing of the claim within the first 30 days after proof of loss was received on April 27, 2022. In addition, Respondent acknowledged they did not provide additional communication

every 30 days until the claim was paid on August 11, 2022. Respondent indicated their processes are designed to provide the communication to the claimant as prescribed by the regulation. Respondent is investigating the root cause to determine why the processes was not properly executed.

8. As a result of the Respondent's violations, the Department and Respondent have agreed to an administrative forfeiture of \$1,000.00.

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 pursuant to Utah Code § 31A-2-308.

3. Respondent violated R590-191-4 when it failed to communicate with the claimant in writing at least every 30 days from the date the claim was submitted through the date the claim was paid stating the reason for the delay in the settlement of the claim.

4. As a penalty for the violations in this case, Respondent should be ordered to pay a forfeiture of \$1,000.00.

ORDER

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

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

Conclusions of Law. The forfeiture shall be paid in full to the Department no later than 30 days after this order is signed.

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

DATED this 9th day of February 2023.

JONATHAN T. PIKE
Utah Insurance Commissioner

/s/ Donald H. Hansen
Donald H. Hansen
Administrative Law Judge/Presiding Officer
Utah Insurance Department
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NOTICE TO RESPONDENT

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 in 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 electronically mailed to:

USAA Life Insurance Company

[REDACTED]
[REDACTED]
[REDACTED]

Christine Castillo
Representative for the Respondent

[REDACTED]
[REDACTED]
[REDACTED]

and

Shelley A. Coudreaut
Assistant Attorney General
sacoudreaut@agutah.gov

DATED this 9th day February 2023.

/s/ Jeanine Couser
Jeanine Couser
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