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**BEFORE THE UTAH INSURANCE COMMISSIONER**

UTAH INSURANCE DEPARTMENT,  Complainant,  vs.  REGENCE BLUECROSS BLUESHIELD OF UTAH,  Respondent.	NOTICE OF AGENCY ACTION AND ORDER  Docket No. 2023-4512  Donald H. Hansen Administrative Law Judge/Presiding Officer
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**NOTICE OF AGENCY ACTION**

The Utah Insurance Department (“the Department”) commences this agency action as an informal adjudicative proceeding against Regence BlueCross BlueShield of Utah (“Respondent”) pursuant to Utah Code § 31A-2-201 and 63G-4-201 through -203 and to Utah Admin. Code R590-160.

This agency action 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 -7.

**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 \$5,000.00 within thirty days of this order.

2. Respondent is ordered not to commit the violations described in the Declaration in the future.

3. Pursuant to Utah Code § 63G-4-203(1)(i) and Utah Admin. Code R590-160-7(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 request for a hearing on this matter is received from Respondent prior to that date.

4. A request for a hearing shall be in writing and 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, 4315 S. 2700 W., Suite 2300, Taylorsville, UT 84129.

5. 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 8<sup>th</sup> day of June 2023

JONATHAN T. PIKE  
Utah Insurance Commissioner

*/s/ Donald H. Hansen*

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DONALD H. HANSEN  
Administrative Law Judge/Presiding Officer  
Utah Insurance Department  
4315 S. 2700 W., Suite 2300  
Taylorsville, UT 84129  
Telephone: 801-957-9321  
Email: [uidadmincases@utah.gov](mailto:uidadmincases@utah.gov)

### **NOTICE REGARDING ENFORCEMENT OF THE 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 being 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.

## **DECLARATION**

Under criminal penalty of Utah law, I, Kathleen Jaques, 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 BlueCross BlueShield of Utah ("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. BlueCross BlueShield of Utah ("Respondent") is a health organization insurer domiciled in Utah and authorized to do insurance business in Utah. Respondent's Utah license number is 1324.

b. Respondent markets long-term care insurance policies.

c. Pursuant to Utah Admin. Code R590-148-25 and R590-220(13)(3), Respondent is required to electronically file its Replacement and Lapse Report, its Claims Denial Report, its Rescission Report, and its Suitability Report ("the LTC reports"), together as one filing, on or before June 30<sup>th</sup> of the following year.

d. On March 3, 2022, Respondent submitted its LTC report filing under SERFF tracking number RGUT-133176902 and RGUT-133176918 to the Department's Health & Life Division.

e. On March 10, 2022, the Department rejected the filings due to errors related to completeness and compliance with filing submission requirements. The Department sent an

objection letter to the Respondent outlining the noncompliant provisions and requested a response from the Respondent by 3/17/2022.

f. The Respondent failed to correct the submissions and the Department rejected Respondent's filings on 3/21/2022.

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

h. On May 1, 2023, a year after the filings were due, the Respondent corrected its LTC reports for the 2021 reporting year and resubmitted its filing under SERFF tracking numbers RGUT-133658838 and RGUT-133658811. The filings were closed as "received" on 5/2/2023.

i. Respondent has had multiple similar violations in the past. In February 2018, the Utah Insurance Commissioner imposed a \$750.00 forfeiture against Respondent for failing to timely file its LTC reports in 2017. (*See Utah Insurance Department v. Regence BlueCross BlueShield of Utah*, Enforcement Case No. 2018-015).

j. In January of 2021, the Utah Insurance Commissioner imposed a \$3,000.00 forfeiture against Respondent for failing to timely file its LTC reports in 2019. (*See Utah Insurance Department v. Regence BlueCross BlueShield of Utah*, Enforcement Case No. 2021-4292).

k. Respondent states it has revised their annual reporting procedure to instruct the person submitting the reports to check SERFF for feedback twice daily following a submission until the reports are in a closed status. Respondent explained it will also use their report tracking system to initiate a task for verifying that the filings are being checked daily by the submitter.

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

a. Respondent violated Utah Admin. Code r.590-220-13(3) by failing to electronically file its annual Long Term Care reports on or before June 30, 2022.

5. Based on Utah Code § 31A-2-308 and other similar enforcement cases, the proper forfeiture for the violations should be \$5,000.00.

DATED this 7th day of June 2023, at Salt Lake City, Salt Lake County, Utah.

/s/ Kathleen Jaques

Kathleen Jaques, Market Conduct Examiner  
Utah Insurance Department

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this date a true and correct copy of the foregoing  
Notice of Agency Action and Order, with the Declaration attached to it, was sent to:

Regence BlueCross BlueShield of Utah  
[REDACTED]  
[REDACTED]  
[REDACTED]

and

Kathleen Jaques  
Utah Insurance Department  
4315 S. 2700 W., Suite 2300  
Taylorsville, UT 84129  
[KathleenJaquess@utah.gov](mailto:KathleenJaquess@utah.gov)

DATED this 8<sup>th</sup> day of June 2023.

/s/ Tatiana Karaivanova

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Tatiana Karaivanova  
Utah Insurance Department  
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