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BEFORE THE UTAH INSURANCE COMMISSIONER

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UTAH INSURANCE DEPARTMENT,  Complainant,  vs.  MALLORIE SANCHEZ,  Respondent.	<b>NOTICE OF AGENCY ACTION AND ORDER</b>  Docket No. 2023-4544  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 Mallorie Sanchez (“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's non-resident producer individual insurance license number 907769 is revoked.

2. Pursuant to Utah Code § 63G-4-203(1)(i) and Utah Admin. Code R590-160-7(1), this informal adjudicative proceeding shall be 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.

3. 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.

4. The request for hearing shall be signed by the person making the request and shall state the basis for the relief requested.

5. 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 28<sup>th</sup> day of September 2023.

JONATHAN T. PIKE  
Utah Insurance Commissioner

/s/ Donald H. Hansen  
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 \$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 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, Tracy L. Klausmeier, declare the following:

1. I am currently employed as Director of the Property & Casualty Division 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 Informal Adjudicative Proceeding and Order against Mallorie Sanchez (“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. The respondent is a Utah non-resident producer individual insurance licensee domiciled in Texas., Utah license number is 907769.

b. On December 12, 2022, an investigation into the Respondent was initiated by the Department after having received a complaint by the USAA Group (“USAA”) that the Respondent had been terminated for cause associated with an alleged fraudulent food spoilage claim the Respondent had filed on her own policy.

c. On August 2, 2023, Tracy L. Klausmeier, Director of the Property & Casualty Division, (Klausmeier) sent a letter of inquiry to the Respondent via certified mail at Respondent’s resident address of record. The letter requested information regarding the complaint and required the Respondent to reply to the request by August 18, 2023.

d. Tracking information for the certified letter shows that the letter was delivered to an individual at the address of record. Still, the Respondent failed to respond to the Department’s request for information.

e. On August 7, 2023, Klausmeier sent a second letter of inquiry to the Respondent via Respondent's email address at "[REDACTED]". The Respondent failed to respond to the Department's request for information.

f. After her termination from USAA, the Respondent failed to update any of her contact information with the Department as required by Utah Code § 31A-23a-412. The Department has been unable to contact the Respondent in any other manner, and Respondent failed to respond to any of the Department's requests for information.

g. During the investigation, Klausmeier learned that an administrative action had been taken against the Respondent by the State of Virginia, in which Virginia revoked Respondent's Virginia non-resident producer license on April 24, 2023. Respondent failed to report the agency action and subsequent revocation to the Department as required by Utah Code §31A-23a-111(7)(a).

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

a. Respondent violated Utah Code § 31A-2-202(4)(a) by not replying promptly in writing or in other designated form to a reasonable written inquiry from the commissioner;

b. Respondent violated Utah Code § 31A-23a-105(2)(b)(i) by failing to report to the commissioner an administrative action taken against the person, including a denial of a new or renewal application in another jurisdiction, within 30 days of the final disposition of the administrative action;

c. Respondent violated Utah Code § 31A-23a-105(5)(a)(ii) by committing an act that is grounds for denial, suspension, or revocation as set forth in Section 31A-23a-111;

d. Respondent violated Utah Code § 31A-23a-111(5)(b)(ii), by violating an insurance statute, a rule that is valid under Subsection 31A-2-201(3), or order that is valid under Subsection 31A-2-201(4) as outlined herein;

e. Respondent violated Utah Code § 31A-23a-111(5)(b)(xvii), by having had an insurance license or other professional or occupational license, or an equivalent to an insurance license or registration or other professional or occupational license or registration denied, suspended, revoked, or surrendered to resolve an administrative action;

f. Respondent violated Utah Code § 31A-23a-111(7)(a) by failing to immediately report to the commissioner a revocation, suspension, or limitation of the Respondent's license in another state, the District of Columbia, or a territory of the United States;

g. Respondent violated Utah Code § 31A-23a-412(1)(a)(i) by failing to have a business address and phone number registered and maintained with the commissioner;

h. Respondent violated Utah Code § 31A-23a-412(1)(a)(ii) by failing to have a business email address registered and maintained with the commissioner;

i. Respondent violated Utah Code § 31A-23a-412(1)(c) by failing to notify the commissioner within 30 days of a change of address, telephone number or business email address required to be registered with the commissioner; and

j. Respondent violated Utah Admin. Code R590-258-3 by failing to submit to, and maintain with, the commissioner a valid business email address where the person can receive communications from the Department.

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5. Based on Utah Code § 31A-2-308 and other similar enforcement cases, the Respondent's insurance license should be revoked.

DATED this 27<sup>th</sup> day of September 2023, at Salt Lake City, Salt Lake County, Utah.

/s/ Tracy L. Klausmeier  
Tracy L. Klausmeier, Director  
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:

Mallorie Sanchez  
[REDACTED]  
[REDACTED]  
[REDACTED]

and

Tracy L. Klausmeier  
Utah Insurance Department  
4315 S. 2700 W., Suite 2300  
Taylorsville, UT 84129  
[REDACTED]

DATED this 28<sup>th</sup> day of September 2023.

/s/ Jeanine Couser  
Jeanine Couser  
Utah Insurance Department  
4315 S. 2700 W., Suite 2300  
Taylorsville, UT 84129  
801-957-9321