



**State of Utah**

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## **Insurance Department**

TODD E. KISER  
*Insurance Commissioner*

October 4, 2017

### **PUBLIC LETTER OF ADMONITION**

TEAM SORENSEN INSURANCE & FINANCIAL SERVICES  
13920 S 1835 W  
BLUFFDALE UT 84065-5353

IVUN E SORENSEN  
13920 SOUTH 1835 WEST  
BLUFFDALE UT 84065

JOSHUA ROBERTS  
1559 HOBBLE CREEK HAVEN ROAD  
SPRINGVILLE UT 84663

IVUN@TEAMSORENSENINS.COM

Investigative File # 67026

Dear Team Sorensen Insurance & Financial Services, Mr. Sorensen, and Mr. Roberts,

Based on information contained in Utah Insurance Department files, Team Sorensen Insurance & Financial Services (Team Sorensen), Ivun E Sorensen, and Joshua Roberts are hereby issued this Public Letter of Admonition. The agency, and at least one producer in the agency, failed to meet the requirements set forth in the following statutes:

#### **31A-2-212 Miscellaneous duties.**

...(5)(c) The commissioner shall preserve state control over:

- (i) the health insurance market in the state;
- (ii) qualified health plans offered in the state; and
- (iii) the conduct of navigators, producers, and in-person assisters operating in the state...

#### **31A-23a-111 Revoking, suspending, surrendering, lapsing, limiting, or otherwise terminating a license -- Rulemaking for renewal or reinstatement.**

...(5)(b)

- (ii) violates:
  - (A) an insurance statute;
  - (B) a rule that is valid under Subsection 31A-2-201(3);...
- (xv) admits or is found to have committed an insurance unfair trade practice or

fraud;

- (c) For purposes of this section, if a license is held by an agency, both the agency itself and any individual designated under the license are considered to be the holders of the license.
- (d) If an individual designated under the agency license commits an act or fails to perform a duty that is a ground for suspending, revoking, or limiting the individual's license, the commissioner may suspend, revoke, or limit the license of:
  - (i) the individual;
  - (ii) the agency, if the agency:
    - (A) is reckless or negligent in its supervision of the individual; or
    - (B) knowingly participates in the act or failure to act that is the ground for suspending, revoking, or limiting the license; or
  - (iii)
    - (A) the individual; and
    - (B) the agency if the agency meets the requirements of Subsection (5)(d)(ii)...

**31A-23a-402 Unfair marketing practices -- Communication -- Unfair discrimination -- Coercion or intimidation -- Restriction on choice.**

(1)(a)

- (i) Any of the following may not make or cause to be made any communication that contains false or misleading information, relating to an insurance product or contract, any insurer, or any licensee under this title, including information that is false or misleading because it is incomplete:
  - (A) a person who is or should be licensed under this title;
  - (B) an employee or producer of a person described in Subsection (1)(a)(i)(A); ...

**R590-206. Privacy of Consumer Financial and Health Information Rule.**

...(9) "Customer" means a consumer who has a customer relationship with a licensee.

(10)(a) "Customer relationship" means a continuing relationship between a consumer and a licensee under which the licensee provides one or more insurance products or services to the consumer that are to be used primarily for personal, family or household purposes.

(b) Examples.

- (i) A consumer has a continuing relationship with a licensee if:
  - (A) The consumer is a current policyholder of an insurance product issued by or through the licensee; or
  - (B) The consumer obtains financial, investment or economic advisory services relating to an insurance product or service from the licensee for a fee.
- (ii) A consumer does not have a continuing relationship with a licensee if:
  - (A) The consumer applies for insurance but does not purchase the insurance;...

(C) The individual is no longer a current policyholder of an insurance product or no longer obtains insurance services with or through the licensee;...

(F) The customer's policy is lapsed, expired, or otherwise inactive or dormant under the licensee's business practices, and the licensee has not communicated with the customer about the relationship for a period of 12 consecutive months, other than annual privacy notices, material required by law or rule, communication at the direction of a state or federal authority, or promotional materials; ...

Producers are referred to as Agents and Brokers in the Federally Facilitated Marketplace ("FFM"). Agents and Brokers are required to participate in specific training that, until recently, was only offered through the federal government. This training is focused on protecting consumer's privacy. Agents and Brokers participate in an initial training to become registered with the FFM. Agents and Brokers are required to recertify annually. Utah statute defines an agent as a "producer for the insurer", a broker is a "producer for the insured" [31A-1-301(94)].

The transmission of a consumer's personally identifiable financial and personally identifiable health information is prohibited under federal and state laws.

On November 10, 2014 Team Sorensen obtained a Utah resident producer organization license. Team Sorensen was appointed with Arches Health Plan in February 5, 2015.

On October 27, 2015, the Utah Insurance Department placed Arches Health Plans into receivership, and Arches was notified to cease operations. On December 22, 2015, Team Sorensen designated 11 producers to the agency. On December 23, 2017, Team Sorensen was appointed with insurer, SelectHealth Inc.

On or about October 29, 2015, a representative with Arches Health Plans transmitted numerous emails via secure email to Mr. Ivun Sorensen, designated responsible party for Team Sorensen. These emails from Arches to Team Sorensen contained spreadsheets with personally identifiable information and personal identifiable health information of consumers who were not customers of the licensee(s) that received the information.

Team Sorensen shared this information with the producers in the agency. The agency producers actively marketed (sell, solicit, negotiate) to consumers listed in the spreadsheets provided to them by Arches.

Arches was in violation of federal and state laws and rules when they provided their customer information contained in the spreadsheets to licensee's that did not have a customer relationship with the consumer.

Team Sorensen violated federal and state laws and rules when they utilized the customer information provided to them by Arches.

The licensee is responsible to know, understand, and comply with federal and state laws. Utah insurance statute states the commissioner may revoke, suspend, or limit a license or line of authority if the commissioner finds that a licensee violates an insurance law [§31A-23a-111(5)(b)].

We understand you have implemented better practices and procedures as a result of this investigation. It is imperative licensees use sound judgement, ethical practices, and exhibit compliance with the Utah Insurance Code. We are confident you will continue to update and revise agency best practices, provide adequate supervision of the agency, and maintain adequate records to show compliance.

Based on the circumstances, time frame, and the timing of what transpired, the Department has determined not to pursue formal administrative action.

This letter is public and will be posted to the Department website, [www.insurance.utah.gov](http://www.insurance.utah.gov). This letter is not considered an administrative action, it is not required to be reported to other regulatory agencies.

Evidence of any similar activities in the future may be just cause for commencement of an administrative proceeding that may result in the imposition of sanctions or penalties against you.

Any questions should be directed to Sandy Glaze, 801-538-3345. Please reference investigative file number 67026.

Sincerely,

TODD E. KISER  
INSURANCE COMMISSIONER



By: Suzette D. Green-Wright  
Director, Market Conduct Division

Cc: Billie Siddoway, Attorney At Law