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BEFORE THE STATE AUDITOR  
AND COMMISSIONER OF INSURANCE  
HELENA, MONTANA

0097814

IN THE MATTER OF	)	CASE NO. 2003-5
	)	
THE PROPOSED DISCIPLINARY	)	CONSENT AGREEMENT
TREATMENT OF ALTIG	)	
INTERNATIONAL COMPANY, INC	)	
	)	
Respondents.	)	

The Montana Insurance Commissioner, (Commissioner), pursuant to the authority of the Insurance Code of Montana, Section 33-1-101, *et seq.*, Mont. Code Ann. (2001), determines that there is probable cause to believe that the following:

ALLEGATIONS

1. On October 11, 2002, the State Auditor's Office received a complaint.
2. Based on the complaint, Investigator Jerry Stier of the State Auditor's Office went to Billings, Montana and found the following information.
3. Altig Insurance Company, Inc. (AI) of Redmond, Washington is an insurance agency licensed in the state of Washington.
4. AI sells exclusively for American Income Life (AIL), an insurance company based in Waco, Texas.
5. AI hired Delet Smart (Smart) as a public relations person. Smart went to various unions, associations and credit unions in Montana and solicited business on its behalf. During this time, Smart was not a licensed producer and did not become a licensed producer until November 29, 2002.

6. Smart accepted an advance of her salary from AI based on her solicitation of business for AI and AIL before she was licensed as a producer.

### CONCLUSIONS

1. The State Auditor is the Commissioner of Insurance pursuant to Section 2-15-1903, Mont. Code Ann. (2001).
2. The Insurance Department is under the control and supervision of the Commissioner pursuant to Section 33-1-301, Mont. Code Ann. (2001).
3. A person may not transact the business of insurance in Montana or a business relative to a subject resident, located, or to be performed in Montana without complying with the applicable provisions of this code pursuant to Section 33-1-102, Mont. Code Ann. (2001).
4. The Commissioner shall administer the Department of Insurance to protect insurance consumers pursuant to Section 33-1-311, Mont. Code Ann. (2001).
5. Smart accepted commissions, fees or a consideration as an unlicensed insurance producer as an independent contractor of AI in violation of Section 33-17-1103, Mont. Code Ann. (2001).
6. When contacted about this problem, AI took immediate remedial steps.
7. AI at all times cooperated in requests for information and has not been confrontational throughout the process.

## AGREEMENT

Altig International Company, Inc. and the State Auditor's Office now stipulate and consent to the following:

1. AI will pay a fine of Two Thousand Five Hundred Dollars (\$2,500) to the state of Montana of which One Thousand Dollars (\$1,000) is levied for contracting Delet Smart to solicit business before she was duly licensed as a producer with the state of Montana and of which One Thousand Five Hundred Dollars (\$1,500) is levied to cover the costs of the investigation of this matter.
2. AI will comply with the insurance code of Montana to include ensuring that all persons who solicit business on its behalf are properly licensed as insurance producers. Additionally, AI agrees to obtain a Montana resident agency license in Montana with Delet Smart affiliated on that license if Smart is representing to the public that she is affiliated with AI. Alternatively, if Delet Smart is merely acting as an insurance producer for AIL, then Smart will maintain her appointment with AIL.
3. AI will supervise its producers to ensure that all producers are in compliance with the insurance code of Montana by making sure that the correct addresses are on the producers' licenses and that insurance records are kept at the producers' business addresses.
4. AI agrees to ensure that its individually licensed producers will establish trust accounts.
5. This consent agreement will become an order of the Commissioner upon its signing by all parties.

6. AI understands that its failure to comply with this order constitutes a separate violation of the insurance code pursuant to Sections 33-2-119, 33-17-1001 or other applicable codes.
7. AI waives the right to a hearing on the above-mentioned allegations and by entering into this agreement, it neither admits nor denies the substance of the allegations of the Commissioner.
8. AI states that it has read the foregoing Consent Agreement and fully understands its contents and effect.
9. AI understands that the Consent Agreement is part of the record of this action and as such is a public record and may not be sealed.
10. It is further understood that this Consent Agreement constitutes the entire agreement between the parties and that there are no other promises or agreements either expressed or implied.
11. Pursuant to the stipulation and consent of AI, the Commissioner under authority of the Insurance Code of Montana, more specifically Section 2-4-603, Mont. Code Ann. (2001), hereby agrees that if the terms and conditions of this Consent Agreement are fully met, no further civil or administrative actions will be initiated against AI regarding the allegations contained herein pursuant to Section 33-1-317 and 33-17-1001, Mont. Code Ann. (2001).
12. In consideration of Commissioner's agreement not to initiate any further actions regarding these allegations, AI fully and forever releases and discharges the Office of the State Auditor, the elected State Auditor, and all employees of the State Auditor's Office from any and all actions, claims,

causes of action, demands or expenses, foreseen or unforeseen, arising out of  
the above-entitled administrative action.

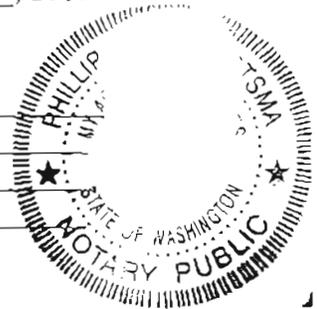
DATED this 26<sup>th</sup> day of June, 2003.

ALTIG INTERNATIONAL CO., INC.

By: Judy King  
Title: Int'l Director, Agency Support Center

Subscribed and sworn to before me this 26<sup>th</sup> day of June, 2003.

Phillip T. Sma  
Notary Public for the State of Washington  
Residing at Isobornish Camp  
My Commission expires 9-8-2005



DATED this 26<sup>th</sup> day of June, 2003.

JOHN MORRISON  
State Auditor and Commissioner of Insurance

By: Alicia Pichette  
ALICIA PICHETTE  
Licensing Bureau Chief  
State Auditor's Office