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BY:

BRETT O'NEIL
Office of the Commissioner of
Securities & Insurance
840 Helena Avenue
Helena, MT 59601
(406) 444-2040

Attorney for the Department of Insurance

BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA

IN THE MATTER OF)	CASE NO. INS-2010-150
)	
FLATHEAD FARM MUTUAL)	CONSENT AGREEMENT AND FINAL
INSURANCE CO., INC,)	ORDER
)	
Respondents.)	
)	

This Consent Agreement and Final Order (Agreement) is entered into by the Insurance Department of the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), acting pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101, *et seq.* (Code), and Flathead Farm Mutual Insurance Company, Inc. (Flathead Farm).

RECITALS

WHEREAS, the Department performed an investigation of information that represents the basis for specific claims against Flathead Farm and found evidence to support filing an administrative action against Flathead Farm;

WHEREAS, the Department alleges that Flathead Farm failed to file appointments of Hometown Insurance, Inc. producers with this office;

WHEREAS, the Department alleges Ellingson Agency, Inc. acted as an MGA for Flathead Farm without licensure; and

Consent Agreement and Final Order

WHEREAS, the Department and Flathead Farm agree that the parties' best interests would be served by entering into the following specific agreement and undertakings set forth below.

NOW THEREFORE, in consideration of the mutual undertakings established herein, the Department and Respondent Flathead Farm, as the parties hereto, enter into the following:

STIPULATIONS AND CONSENTS

I. Without admitting or denying any of the CSI's allegations, Respondent stipulates and consents to the following:

A. Within ten days from the execution of the Final Order, Respondent shall pay a \$600 fine to the state of Montana. The fine should be made payable to the Montana State Auditor's Office and sent to the Office of the Commissioner of Securities and Insurance, c/o Brett O'Neil, Attorney, 840 Helena Avenue, Helena, MT 59601.

B. This agreement relates only to Respondent's relationship with Hometown Insurance and Ellingson Agency, Inc.

C. The Respondent fully and forever releases and discharges the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), the CSI, and all of the CSI's employees and agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.

D. This Agreement is entered without adjudication of any issue, law or fact. It is entered into solely for the purpose of resolving the CSI's investigation and allegations and is not intended to be used for any other purpose. For any person or entity

not a party to this Agreement, this Agreement does not limit or create any private rights or remedies against the Respondent including limiting or creating liability of Respondent, or limiting or creating defenses of Respondent, to any claims.

E. Upon execution of this Agreement, Respondent acknowledges and waives their right to appeal the Commissioner's Order.

F. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent or representative of the CSI to induce Respondent to enter into this Agreement.

G. This Agreement may not be modified orally and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.

H. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner herein.

I. Upon execution of this Agreement, the CSI will not commence an administrative action against the Respondent based upon the activities giving rise to the CSI's investigation that occurred prior to the execution of this Agreement.

J. This Consent Agreement shall be effective upon signing of the Final Order.

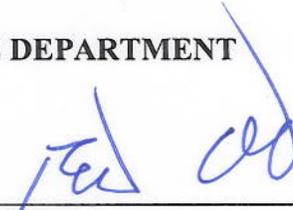
K. Respondent further understands that, upon the signing of the Final Order by the Commissioner or her representative, this Agreement will be an order of the Commissioner and failure to comply with the same may constitute separate violations of the Montana Insurance Code, § 33-1-101, *et seq.* and/or other applicable statutes or rules, and may result in subsequent legal action by the CSI.

L. The Agreement is a public record under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 21st day of January, 2011

INSURANCE DEPARTMENT

By: _____


BRETT O'NEIL
Attorney

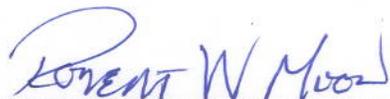
FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and § 33-1-101, *et seq.*, and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and Respondent Flathead Farm Mutual Insurance Company, Inc. is adopted as if set forth fully herein.

DATED this 31st day of January, 2011.

MONICA J. LINDEEN
Commissioner of Securities and Insurance
Montana State Auditor

By: 
ROBERT MOON
Deputy Insurance Commissioner

cc. Brett O'Neil
Greg Ellingson

FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and § 33-1-101, *et seq.*, and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and Respondent Flathead Farm Mutual Insurance Company, Inc. is adopted as if set forth fully herein.

DATED this 31st day of January, 2011.

MONICA J. LINDEEN
Commissioner of Securities and Insurance
Montana State Auditor

By: Robert W Moon
ROBERT MOON
Deputy Insurance Commissioner

cc. Brett O'Neil
Greg Ellingson

DOCUMENT IS PRINTED ON CHEMICALLY REACTIVE PAPER. THE BACK OF THIS DOCUMENT INCLUDES A TAMPER EVIDENT CHEMICAL WASH WARNING BOX.



ELLINGSON
AGENCY

24 1st Avenue East, Suite E
Kalispell, Montana 59901
(406) 752-7500

VALLEY BANK OF KALISPELL
P.O. BOX 48 • (406) 752-7123
KALISPELL, MT 59903-0048
93-229/929

11-196 008647

1/25/2011

PAY TO THE ORDER OF Montana State Auditor

\$ **600.00

Six Hundred and 00/100 ***** DOLLARS

Montana State Auditor

Greg Ellingson
AUTHORIZED SIGNATURE



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consent agreement/final order

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