

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

IN THE MATTER OF:	)	Case No.: INS-2012-265
	)	
WESTERN STATES INSURANCE	)	<b>CONSENT AGREEMENT AND FINAL</b>
AGENCY,	)	<b>ORDER</b>
	)	
Respondent.	)	
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This Consent Agreement and Final Order (Agreement) is entered into by 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 Western States Insurance Agency (Respondent).

**RECITALS**

WHEREAS, the CSI received information that Respondent was advertising a promotional program whereby clients and potential clients could win valuable prizes for referring others to Respondent for insurance-related services;

WHEREAS, based on the CSI's investigation, the CSI alleged that Respondent violated Mont. Code Ann. §§ 33-18-208(4) and/or 33-18-210(1) by offering and awarding rebates in the form of valuable gift cards to clients who referred others to Respondent;

NOW, THEREFORE, in consideration of the following mutual undertakings, the CSI and Respondent enter into the following:

**STIPULATIONS AND CONSENTS**

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

A. Within 10 business days from the execution of this Agreement, Respondent shall pay a fine of \$2,500. The fine must be made payable to the State of Montana and sent to the Office of the Commissioner of Securities and Insurance, Montana State Auditor, c/o Lisa Monroe, Legal Assistant, 840 Helena Avenue, Helena, MT 59601.

B. Respondent shall cease offering and awarding gift cards of a value exceeding \$5.00 as part of its "Refer-A-Friend" promotional program within the state of Montana.

2. All parties to this Agreement stipulate and agree as follows:

A. Respondent acknowledges that its authorized representative signing this Agreement has read and understands each term of this Agreement and that it enters into this Agreement voluntarily and without reservation.

B. Respondent and the CSI agree that this Agreement resolves the alleged violation set forth in the Recitals.

C. With respect to the Recitals, Respondent specifically and affirmatively waives a contested case hearing and its right to appeal under the Montana Administrative

Procedures Act, including Title 2, chapter 4, part 7, and elects to resolve this matter on the terms and conditions set forth therein.

D. Respondent fully and forever releases and discharges the CSI 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 the Recitals.

E. This Agreement is entered without adjudication of any issue, law or fact. It is entered solely for the purpose of resolving the CSI's investigation and allegation and is not intended to be used for any other purpose.

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 part of the attached Final Order issued by the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner) herein.

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

J. This Agreement and Final Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 31<sup>st</sup> day of December, 2012

**OFFICE OF THE COMMISSIONER OF  
SECURITIES AND INSURANCE,  
MONTANA STATE AUDITOR**

By: *Nick Mazanec*  
NICK MAZANEC  
Attorney for the CSI

DATED this 3<sup>rd</sup> day of December, 2012

**WESTERN STATES INSURANCE  
AGENCY**

By: *Michael J. Conner*  
Title: *CAO/General Counsel*

**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 Office of the Commissioner of Securities and Insurance, Montana State Auditor, and Respondent Western States Insurance Agency is adopted as set forth fully herein.

DATED this 3<sup>rd</sup> day of January, 2013.

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

By: \_\_\_\_\_

**ADAM SCHAFER**  
Deputy State Auditor

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing was served on the \_\_\_\_\_  
day of January, 2013, by US mail, first-class postage paid, to the following:

Western States Insurance Agency  
c/o Mindy Carver  
P.O. Box 4386  
Missoula, MT 59806

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