

JENNIFER HUDSON
MICHAEL KAKUK
Office of the Montana State Auditor,
Commissioner of Securities and Insurance (CSI)
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Helena, MT 59601
(406) 444-2040

Attorneys for the CSI

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

IN THE MATTER OF THE INSURANCE)	Case No.. INS-2014-265
AGENCY LICENSE OF KNAPP)	
INSURANCE AGENCY, INC.,)	CONSENT AGREEMENT AND FINAL
)	ORDER
)	
Respondent.)	
_____)	

This Consent Agreement (Agreement) and Final Order (Order) are entered into by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), acting pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), and Knapp Insurance Agency, Inc. (Respondent).

RECITALS

WHEREAS, Respondent is an insurance agency located in Helena, Montana, and has been in operation since 1998;

WHEREAS, Respondent was owned and operated by Roberta and Kenneth Knapp until January 1, 2015;

WHEREAS, a Notice of Agency Action and Opportunity for Hearing was filed by the CSI on April 20, 2015, alleging that Respondent committed several violations of the Code;

WHEREAS, Respondent was sold to Kadee and Jeff Knapp on January 1, 2015, after the alleged code violations occurred; and

WHEREAS, the CSI and Respondent agree that the best interests of the public would be served by entering into this Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the CSI and Respondent hereby agree to settle this matter pursuant to the following terms and conditions:

STIPULATIONS AND CONSENTS

1. Respondent stipulates and agrees to the following:
 - A. Respondent admits that the above Recitals are true and correct.
 - B. Respondent's agency license shall be placed on probation for a period of 24 months from the date of the execution of this agreement.
 - C. During the probationary period, anyone acting in a managerial role for Respondent (Agency Principals) shall complete approved insurance producer continuing education courses and meet the continuing education requirements for insurance producers. One year from the execution of this agreement, all Agency Principals shall complete six continuing education hours on the subject of ethics. The ethics credits shall be in addition to each Agency Principal's statutory duties regarding continuing education. Respondent shall file written copies of the continuing education course completion certificates with a cover letter or memorandum which shall be provided to the CSI's licensing bureau.
 - D. At the discretion of the CSI, Respondent shall be subject to examination by the CSI at Knapp Insurance Agency, Inc.

E. All Agency Principals shall thoroughly read, remain familiar with, and obey all laws and rules pertaining to the conduct of insurance producers in Montana

F. Within two months after the effective date of this Agreement, Respondent shall engage a third party consultant to review recordkeeping and premium handling procedures, subject to approval by the CSI. Within four months after the effective date of this Agreement, the consultant shall submit a written report, including any recommendations, to the CSI.

G. With respect to the Recitals, Respondent specifically and affirmatively waives a contested case hearing and its right to appeal under the Montana Administrative Procedure Act, including Title 2, chapter 4, part 7, and elects to resolve this matter on the terms and conditions set forth therein.

H. 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 not asserted, known or unknown, foreseen or unforeseen, arising out of the Recitals or this Agreement.

I. Respondent's authorized representative acknowledges that he/she has read and understands each term of this Agreement and that this Agreement is entered into voluntarily and without reservation.

J. Respondent acknowledges that it has discussed this Agreement with its legal counsel and is informed as to its scope and requirements.

K. Both parties to this Agreement stipulate and agree as follows:

L. The CSI has jurisdiction over the subject matter of this Agreement

M. This Agreement resolves the alleged violations set forth in the Recitals.

N. The CSI warrants and represents that so long as Respondent complies with the terms of this Agreement, the CSI will not bring any further action against Respondent arising from facts known to the CSI as of the date of the Agreement relating to the allegations of the Notice of Agency Action and Opportunity for Hearing, or the matters identified in the CSI's Request for Production No. 1.

A. 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 allegations, and is not intended to be used for any other purpose.

B. The applicable statute of limitations is tolled for two years from the date of execution of this Agreement with regard to the allegations set forth above. In the event Respondent violates the terms of this Agreement at any time before the applicable statute of limitations has run, the CSI reserves the right to seek any additional administrative penalties or further regulatory action.

C. 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.

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

E. This Agreement shall be incorporated into and made part of the attached Final Order issued by the Commissioner of Securities and Insurance, Office of the Montana State Auditor (Commissioner), herein.

F. The Order will be an order of the Commissioner and is effective upon signing. The CSI has jurisdiction over the enforcement of the Order, and failure to comply with it may constitute separate violations of the Act, as provided in Mont. Code Ann. § 33-1-318, and may result in subsequent legal action by the CSI.

G. This Agreement shall be effective upon signing of the Order.

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

DATED this 21 day of August, 2015.

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

By: Jennifer Lee Hudson
JENNIFER HUDSON
Attorney for the CSI

APPROVED AS TO FORM this 10 day of August, 2015.

By: Lee Bruner
LEE BRUNER
Attorney for Knapp Insurance Agency, Inc.

DATED this 10 day of August, 2015.

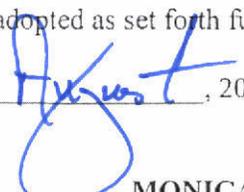
Kadee Knapp
KADEE KNAPP
Co-owner and Agency Principal of Respondent

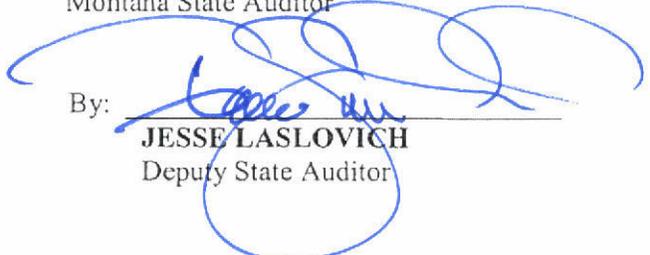
FINAL ORDER

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, Knapp Insurance Agency, Inc., is adopted as set forth fully herein.

DATED this 25th day of August, 2015.


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

By: 
JESSE LASLOVICH
Deputy State Auditor

cc: Lee Bruner
Jennifer Hudson