

**BARBARA C. HARRIS**  
Office of the Montana State Auditor  
Commissioner of Securities and Insurance (CSI)  
840 Helena Avenue  
Helena, MT 59601  
(406) 444-2040

Attorney for the CSI

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

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| IN THE MATTER OF  | ) | CSI Case Number: INS-2016-80      |
|                   | ) |                                   |
| STEVE WAYNE CAMP, | ) | <b>NOTICE OF PROPOSED AGENCY</b>  |
|                   | ) | <b>ACTION AND OPPORTUNITY FOR</b> |
| Respondent.       | ) | <b>HEARING</b>                    |

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**TO:** Steven Wayne Camp  
2120 South Reserve  
Suite 202  
Missoula, MT 59801

**PLEASE TAKE NOTICE:**

The Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), pursuant to the authority of the Montana Insurance Code (Mont. Code Ann. § 33-1-101 et seq.), is proposing that the Commissioner of Securities and Insurance, Office of the Montana State Auditor (Commissioner) take disciplinary action against the insurance producer license of Steven Wayne Camp (Respondent). Specifically, the CSI is proposing that the Commissioner revoke Respondent's insurance producer license, order repayment of money to persons aggrieved by Respondent's actions, and order a fine of up to \$5,000 per violation of the Montana Insurance Code pursuant to § 33-1-317.

## JURISDICTION

The Commissioner has authority to take such action under the provisions of Mont. Code Ann. §§ 33-1-102, 33-1-311, 33-1-317, 33-17-201, and 33-17-1001.

## RELEVANT FACTS

Investigation has revealed the following relevant facts:

1. On January 31, 2001, the CSI issued an individual insurance producer license to Respondent (license number 907000). He works at Big Sky Insurance Company (Big Sky) in Missoula, Montana. Big Sky was licensed by the CSI as a business entity insurance producer in 2012 (license number 760001). While Big Sky was recognized as a business by the Montana Secretary of State in 2012, that registration lapsed in November 2015. Respondent did not report the lapse to the CSI. Respondent served or serves as the president, director, and/or principal of Big Sky and continues in those capacities as of the date of this notice. Respondent is the registered agent for Big Sky.
2. Respondent also operated under the business names of Camp Insurance Services, and Grizzly Insurance and Financial Services. Respondent was sued for operating under the latter name. He no longer uses either. However, Respondent failed to notify the CSI of this change in situation, and CSI records still show Respondent using the names.
3. Mia Moua and Houa Vang bought an automobile policy through Respondent at Big Sky from Progressive Northwestern Insurance Company (Progressive). The policy ran from June 30, 2014, to December 30, 2014, and listed their daughter, Yer Moua as a

driver. Yer Moua would give checks for premium payments to her father, who would then give them to Respondent. The copy of Yer Moua's check dated May 14, 2014, for \$900 shows it was deposited by Respondent in his account at American Federal Savings Bank.

4. Yer Moua also paid Respondent for the automobile coverage for the year 2015. Based on a renewal notice issued by Progressive, she wrote a check to Big Sky on December 30, 2014, for \$1,389 as premium due. The check was deposited by Respondent in an account at First Montana Bank on January 6, 2015. And a check signed by Yer Moua July 29, 2015, for \$816 was deposited by Respondent in an account at Stockman Bank on July 31, 2015. The checks include the language of "Pay to the Order of Big Sky Insurance."

5. At the end of the year 2015, Yer Moua contacted Respondent by email, stating that she needed proof of the insurance policy. After a week passed and she received no proof, she emailed him on January 7, 2016, reporting that she had consulted with another insurance company. The other insurance company told her that no insurance for the year 2015 was found in the records they consulted. She again asked for documentation regarding the policy that was placed in the year 2014.

6. Respondent sent an email to Yer Moua stating that the policy was in place and that he would come to her place of work and bring documents. On January 8, 2016, Respondent stopped at her workplace. He brought an insurance identification card stating that the Progressive policy was in place from 12-30-14 through 12-30-15.

7. Respondent also represented to Yer Moua that she was covered in 2015 under a policy issued by the Trumbull Insurance Company. In reality, the policy issued by Trumbull covered only her parents. Based on his assertion that the Progressive policy was

in place in the year 2015, Respondent had her sign a document requesting cancellation of the Trumbull policy for the year 2015. He led her to believe that she would receive a refund of the money she had paid him for the year 2015 for the Progressive policy.

8. Progressive cancelled the policy covering Yer and Mia Moua and Houa Vang, with a cancellation date of December 30, 2014. Neither Progressive nor Trumbull Insurance issued an automobile policy covering Yer Moua in the year 2015.

9. Through email communication with Yer Moua in January and February 2016, Respondent made excuses and deflected her concerns and requests by referring to the moving of his office. On February 2, 2016, Respondent's email stated "You will be receiving a refund directly from the carrier." To date, Yer Moua has not received a refund of the money she paid to Respondent for coverage for the year 2015, a total of \$2,205.

10. In July 2015, David MacLeod purchased a home in Victor, Montana. As part of his home purchase, an escrow company was told to pay Big Sky the premium for a full year of coverage for the home pursuant to a policy issued by The Hartford insurance company. On July 2, 2015, a check was made out by Stewart Title of Ravalli County, LLC, to Big Sky for \$1,568. The check was deposited in Respondent's Stockman Bank account on July 7, 2015. On September 29, 2015, a cancellation notice was issued by The Hartford, asserting failure to pay premium. MacLeod's contact with The Hartford confirmed that the policy was cancelled and revealed that Respondent had not been in contact with them. During his verbal and email contact with Respondent, MacLeod asked for documents related to the insurance policy and eventually a refund of

the money he paid Respondent. Respondent claimed he had been in contact with The Hartford. MacLeod was forced to secure a different policy.

11. During his interview by CSI investigators on March 28, 2016, Respondent described his managing of Big Sky, and previous insurance agencies in Missoula, Montana. When asked about bank accounts and interactions with policyholders, his answers were confusing and incomplete, even though he claimed he consulted Big Sky's records before the interview. He often blamed employees, insureds, and insurers. His answers to basic questions regarding insurance policies and practices necessary for handling premium money, as opposed to other money, were confused and evasive. He admitted that there were "issues," that he used premium money for things other than the paying premiums, and that it was possible that some money was used for personal purposes rather than business purposes. He has not reconciled accounts into which he deposited premium money, but which then held insufficient funds to pay premiums.

#### APPLICABLE LAW

1. Montana law provides that the Commissioner is to conduct various investigations and actions to detect, address, and prevent violations of the Montana Insurance Code (Mont. Code Ann. §§ 33-1-101 et seq.) by insurance producers (any person or entity required to be licensed under the laws of this state to sell, solicit, or negotiate property or casualty insurance). The Commissioner's duties in this regard include the protection of the public and other persons engaged in the insurance business from illegal practices (practices that are prohibited by Titles 33 and 45, Mont. Code Ann.). Mont. Code Ann. §§ 33-1-1201 through 33-1-1211. *See also* Mont. Code Ann.

§ 33-1-311. All producers are required to notify the CSI within 30 days of changes in their insurance business, such as address changes and disciplinary actions. Mont. Code Ann. § 33-17-214(6).

2. Montana Code Annotated Section 33-1-1302(8) provides that "A person who purposely or knowingly is involved in the misappropriation or theft of insurance premiums or proceeds . . . commits the offense of theft and deceptive practices and is punishable as provided in 45-6-301 and 45-6-317."

3. Montana Code Annotated Section 33-1-1202 provides that "A person commits the act of insurance fraud when the person: . . . (7) presents or causes to be presented counterfeit insurance documents to any person."

4. Montana law provides:

**Theft.** (1) A person commits the offense of theft when the person purposely or knowingly obtains or exerts unauthorized control over property of the owner and:

- (a) has the purpose of depriving the owner of the property;
- (b) purposely or knowingly uses, conceals, or abandons the property in a manner that deprives the owner of the property; or
- (c) uses, conceals, or abandons the property knowing that the use, concealment, or abandonment probably will deprive the owner of the property.

(2) A person commits the offense of theft when the person purposely or knowingly obtains by threat or deception control over property of the owner and:

- (a) has the purpose of depriving the owner of the property;
- (b) purposely or knowingly uses, conceals, or abandons the property in a manner that deprives the owner of the property; or
- (c) uses, conceals, or abandons the property knowing that the use, concealment, or abandonment probably will deprive the owner of the property.

Mont. Code Ann. § 45-6-301.

5. Montana law provides:

**Suspension, revocation, or refusal of license.** (1) The commissioner may suspend, revoke, refuse to renew, or refuse to issue a license under this chapter, may levy a civil penalty in accordance with 33-1-317, or may choose any combination of actions when a licensee or applicant for licensure has: . . .

(c) violated or failed to comply with a provision of this code or has violated a rule, subpoena, or order of the commissioner or of the commissioner of any other state;

(d) improperly withheld, misappropriated, or converted to the licensee's or applicant's own use money or property belonging to policyholders, insurers, beneficiaries, or others and received in conduct of business under the license; [or] . . .

(f) in the conduct of the affairs under the license, used fraudulent, coercive, or dishonest practices or the licensee or applicant is incompetent, untrustworthy, financially irresponsible, or a source of injury and loss to the public[.]

Mont. Code Ann. § 33-17-1001.

6. Montana law provides:

**Hearings -- discretion -- written demand -- procedure.** (1) The commissioner may hold hearings for any purpose within the scope of this code considered necessary. Hearing procedures contained in Title 33, chapter 1, apply only to Title 33, except as otherwise provided.

(2) A person may provide the commissioner with a written demand for a hearing. A written demand must specify the grounds relied upon as a basis for the relief sought at the hearing. If the commissioner does not issue an order granting a person's request for a hearing within 30 days of receiving a request, the hearing is considered refused.

(3) All hearings must be conducted pursuant to the Montana Administrative Procedure Act, as provided in Title 2, chapter 4, part 6. Any supplemental hearing procedures may be adopted by administrative rule.

Mont. Code Ann. § 33-1-701.

### **ALLEGATIONS AND RELIEF REQUESTED BY CSI**

Based on the foregoing, the CSI alleges that the acts of the Respondent in taking premium money from Yer Moua and Dave MacLeod constituted misappropriation or

theft of insurance premiums as specified above. In addition, the CSI alleges that the acts of the Respondent in January 2016 of delivering to Yer Moua a proof-of-insurance card regarding the Progressive policy, with effective dates of December 30, 2014, through December 30, 2015, constituted the misappropriation or theft of insurance premiums. Finally, the CSI alleges that the described incidents, as well as other incidents and facts established in the investigation of this matter establish that Respondent used fraudulent, coercive, or dishonest practices in his business affairs and that he is incompetent, untrustworthy, financially irresponsible, or a source of injury and loss to the public because of his actions and/or failure to manage his insurance business affairs.

The CSI seeks the following:

1. Revocation of the insurance producer license of the Respondent by the Commissioner;
2. Repayment by the Respondent to Yer Moua and Dave MacLeod of amounts they paid to Respondent and which he did not pay to their insurers;
3. A fine of up to \$5,000 per violation of the Montana Insurance Code pursuant to Mont. Code Ann. § 33-1-317; and
4. Any other relief deemed just and proper.

#### **STATEMENT OF RIGHTS OF AND NOTICE TO RESPONDENTS**

1. You are entitled to a hearing to respond to this Notice, present evidence, and present arguments on all issues involved in this case. You may have a formal hearing before a hearing examiner appointed by the Commissioner as provided in the

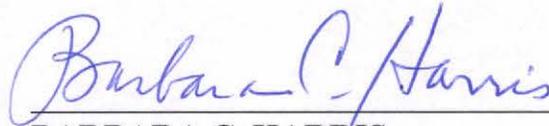
Montana Administrative Procedure Act, § 2-4-601 et seq. **if you notify Barbara C. Harris**, attorney for the CSI, as set out below.

2. **You must provide a written demand for a formal hearing to:** Barbara C. Harris, Attorney, Office of the Montana State Auditor, Commissioner of Securities and Insurance, 840 Helena Avenue, Helena, MT 59601. As stated in Mont. Code Ann. § 33-1-701, "A written demand must specify the grounds relied upon as a basis for the relief sought at the hearing."

3. **Your written demand for a formal hearing must be received by Barbara C. Harris on or before August 29, 2016. Failure to make written demand for a formal hearing will result in the entry of a default order by the Commissioner ordering the actions requested above. THIS WILL HAPPEN WITHOUT ANY ADDITIONAL NOTICE TO YOU IF YOU DO NOT MAKE WRITTEN DEMAND AS SET OUT ABOVE.** Administrative Rule of Montana 1.3.214.

4. You have the right to be represented by an attorney at any and all stages of this proceeding. Any such attorney must be admitted to practice law in Montana pursuant to the applicable rules of the State Bar of Montana and the Montana Supreme Court.

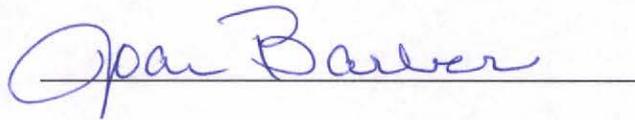
DATED this 3<sup>rd</sup> day of August, 2016.

  
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**BARBARA C. HARRIS**  
Attorney for CSI

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this 3rd day of August, 2016, a true and correct copy of the foregoing Notice of Proposed Agency Action and Opportunity for Hearing was sent by certified mail, postage prepaid, return receipt requested to:

Steven Wayne Camp  
2120 South Reserve  
Suite 202  
Missoula, MT 59801

A handwritten signature in blue ink, reading "Joan Barber", is written over a horizontal line.