

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

IN THE MATTER OF

PENNINGTON, CHRISTINA,

Respondent.

Case No. INS-2025-00084

**FINAL AGENCY ACTION &
DEFAULT ORDER**

On February 23, 2026, counsel for the Commissioner of Securities and Insurance, Office of the Montana State Auditor (Commissioner or CSI), served a Notice of Proposed Agency Action and Opportunity for Hearing (Notice or NOPAA) on Christina Pennington (Respondent). A copy of the Notice is attached hereto as Exhibit A.

The Notice was served by US Mail with tracking capability and was delivered on February 26, 2026. A copy of the tracking receipt is attached hereto as Exhibit B. The Notice provided Respondent an opportunity for an administrative hearing if requested within 24 days. The deadline for Respondent to request an administrative hearing to challenge the Notice was March 19, 2026. The Notice also warned that failure to respond and request a hearing by the deadline would result in a default order.

More than 24 days have elapsed since service of the Notice and no request for hearing has been received. Therefore, a default order will issue. Admin. R. Mont. 1.3.214. The Commissioner considered the evidence and exhibits and makes the following determinations:

FINDINGS OF FACT

1. The Respondent is a resident of Montana.
2. In June 2017, The Respondent applied for an Aflac accident policy, requesting an effective date of July 1, 2017, for herself and her family.
3. On June 25, 2020, while employed by Datco Services Corp in Auburn, California, the Respondent completed and electronically signed an Aflac "New Business Transmittal" and conversion application for Policy No. POL68496, again requesting an

effective date of July 1, 2020, and electing “Two-Parent Family” accident coverage with payroll deduction through the employer group account GQN42.

4. In this 2020 application, the Respondent listed herself as the proposed insured, identified her spouse as a covered individual, confirmed that she was actively working as an office manager, and acknowledged that the accident policy was intended to supplement her existing comprehensive health coverage.

5. On July 16, 2021, the Respondent’s son, M. P., was involved in a dirt bike accident while riding with a friend around 9:00 a.m. He later presented to Sutter Auburn Faith Hospital’s emergency department complaining of headache, nausea, blurry vision, right leg pain, and back and neck pain. Emergency department records indicate that he arrived at 11:35, was roomed at 12:05, and was ultimately discharged on July 18, 2021, with diagnoses that included a motor vehicle collision involving a dirt bike and a closed head injury. However, Sutter Health Auburn Hospital Emergency Room has no record of an admission for M. P.

6. The treating provider documented that laboratory and radiology studies, including a non-contrast CT scan of the brain, did not reveal an acute intracranial abnormality and that M.P.’s syncope and weakness resolved prior to discharge.

7. On July 29, 2021, Aflac received a completed Aflac accident claim form from Respondent for a dependent on Policy No. POL68496, with a reported accident date of July 16, 2021. On the claim form, Respondent stated that M.P. “was riding a dirtbike with his friend and they wrecked,” confirmed that the initial treatment occurred in a hospital emergency room, and reported that he was confined to a hospital but not to an intensive care or rehabilitation unit.

8. She also confirmed that no surgery was performed, that no ambulance transport occurred, and that M.P. did not receive follow-up treatment or therapy for the accident.

9. Aflac's internal claims data show that, following this incident, Respondent submitted multiple claims under Policy No. POL68496 for herself, her spouse, and her dependents, beginning July 16, 2021 and continuing through December 2023.

10. The claims history for this policy reflects at least 31 claims filed since 2021, of which Aflac's Special Investigations Unit (SIU) later identified 20 as invalid. For the July 16, 2021 incident (Claim No. 029852409), Aflac paid hospital confinement, initial hospital admission, and related benefits totaling \$2,140.00.

11. On September 7, 2021, Respondent submitted claims representing urgent care treatment at Nova Urgent Care in Belgrade, Montana for her spouse and herself, with diagnoses including low back pain and a wrist fracture. Aflac records show that Claim No. 030491829 generated payments of \$125.00 for an "ATX" benefit, \$250.00 for an "MDB" benefit, and \$40.00 for an "AFU" benefit, totaling \$415.00. Claim No. 030513272 (for Pennington) generated payments of \$155.00 for an "ATX" benefit and \$400.00 for a "FXT" benefit, totaling \$555.00.

12. On October 24, 2021, Respondent submitted Claim No. 031282740 for an alleged emergency room visit at Sierra Nevada Memorial Hospital in Grass Valley, California, for her dependent C.G., described as treatment for a left distal radius fracture. Aflac's claim system shows that this claim resulted in benefit payments of \$205.00 for "ATX" and \$800.00 for "FXT," for a total of \$1,005.00.

13. On December 22, 2021, Respondent submitted Claim No. 032071730 alleging an emergency room visit at Dignity Health in Grass Valley, California which produced a \$205.00 accident treatment payment.

14. On January 1, 2022, Respondent submitted Claim No. 032488595 for a Dignity Health visit with imaging for herself, Christina Pennington. Aflac's claims history reflects that this claim produced multiple payments: \$205.00 for accident treatment, \$500.00 for fracture, \$155.00 for accident treatment, \$250.00 for "MDB," and several \$40.00 "AFU" benefits, totaling \$705.00 paid in connection with the January 1, 2022 date of service.

15. On February 2, 2022, Respondent began a series of claims under Claim No. 034018462 relating to imaging and surgery for a left knee injury that she attributed to treatment at Mercy San Juan Medical Center and an imaging provider identified as RDI. Aflac's data show that this claim generated payments for accident treatment, medical diagnostic testing, surgery, and multiple follow-up visits, including \$155.00, \$250.00, several \$40.00 follow-up benefits, and a \$725.00 surgery benefit, for a total of \$1,290.00.

16. Beginning in May 2022, Respondent submitted Claim No. 034893574 for multiple physical therapy visits at Lone Peak Physical Therapy in Belgrade, Montana, for her dependent A.P., relating to left knee pain. The Aflac claims history shows an initial payment of \$112.50 for a "DSL" benefit and a series of five \$40.00 therapy benefits for visits on May 9, May 12, May 18, May 25, and June 1, 2022, totaling \$312.50.

17. In June 2022, Respondent filed Claim No. 035342499 for an alleged June 17–20, 2022 hospital stay at St. Vincent Hospital in Billings, Montana, for M. P., associated with a closed head injury. Aflac's records show that this claim led to a \$300.00 hospital confinement payment and a \$20.00 supplementary payment, totaling \$320.00. In August 2022, she filed Claim No. 036535390 for an August 15, 2022 emergency room visit at Sutter Auburn Faith Hospital for Cade Gamble, with a diagnosis of wrist pain, which resulted in a \$205.00 payment.

18. The following month, under Claim No. 036839141, she submitted claims for a September 23, 2022 emergency room visit at Sutter Auburn Faith Hospital for M.P.'s left knee laceration, for which Aflac paid \$150.00 for "APL," \$205.00 for accident treatment, and \$300.00 for a laceration benefit, totaling \$655.00.

19. On November 12, 2022, Respondent filed two emergency room claims at Sutter Auburn Faith Hospital: Claim No. 037942679 for herself, and Claim No. 037942711 for her dependent A.P. For each claim, Aflac paid \$205.00 in accident treatment benefits. Later that month and into December 2022, Respondent submitted Claim No. 038319673 for multiple visits by herself to Bridger Orthopedics in Belgrade, Montana, relating to right knee pain, which resulted in three \$40.00 follow-up benefits, totaling \$120.00.

20. She also filed Claim No. 038477895, alleging an outpatient surgery at Bridger Orthopedics on November 28, 2022, for the same knee condition, which resulted in a \$725.00 surgery benefit.

21. In late 2022 and early 2023, Respondent submitted Claim No. 038994778 to Aflac for multiple physical therapy visits at Lone Peak Physical Therapy in Belgrade, Montana, again for herself. The claims history shows four therapy payments of \$40.00 each for dates in December 2022 and January 2023, totaling \$160.00. On January 29, 2023, she filed Claim No. 039479820 for an emergency room visit at Bozeman Health Deaconess Regional Medical Center involving knee pain, for which Aflac paid \$205.00 for accident treatment and \$60.00 for a “WLB” benefit, totaling \$265.00.

22. On April 11, 2023, Respondent submitted Claim No. 041287453 for an emergency room visit at Bozeman Health Deaconess Regional Medical Center for her son, M.P., with a diagnosis code corresponding to head injury. Aflac paid a \$150.00 fracture benefit under this claim. She later filed Claim No. 042527366 for two follow-up visits with Dr. James Fair on April 27 and May 4, 2023, and Aflac paid two \$40.00 follow-up benefits, totaling \$80.00.

23. On December 18, 2023, Aflac’s Special Investigations Unit assigned SIU investigator Shara Bryan-Torsiello to investigate Claim No. 045228101, which involved an emergency room visit, claimed subsequent surgery, and overnight hospital stay at Bozeman Health for A.P.

24. In the course of reviewing Policy No. POL68496, SIU Bryan-Torsiello noted that 31 claims had been filed since 2021 and determined that 20 of those claims—corresponding to Claim Nos. 029852409, 030491829, 030513272, 031282740, 032071730, 032488595, 034018462, 034893574, 035342499, 036535390, 036839141, 037942679, 037942711, 038319673, 038477895, 038994778, 039479820, 041287453, 042527366, and 045228101—were invalid because the medical providers did not verify the treatment dates or services billed. By Aflac’s calculation, the total amount paid on these 20 claims was \$9,717.50.

25. CSI Investigator Treat requested and reviewed the Aflac claim file and supporting documents and then conducted independent verifications with Bridger Orthopedics and Bozeman Health Patient Financial Services. On March 7, 2025, Treat met with Bridger Orthopedics representatives in Bozeman, Montana, who confirmed that they had no record of Pennington as a patient, that the medical record number and formatting on the documents submitted to Aflac did not match their system, that the doctor's initials on the documents were incorrect, and that the location printed on the records did not correspond to a site where a patient would see the listed physician.

26. That same day, Treat met with Bozeman Health Patient Financial Services personnel, who reviewed documentation submitted to Aflac in support of Claim Nos. 039479820, 041287453, and 042527366. Bozeman Health staff confirmed that there was no record of a January 29, 2023 visit for Respondent, that the medical record number on the submitted documents did not match Bozeman Health's nomenclature, that the diagnoses Respondent reported the April 11, 2023 visit did not match Bozeman Health's records and did not include a fracture of the right thumb, and that the April 27 and May 4, 2023 follow-up visits could not be located in the facility's system.

27. On March 7, 2025, Treat also contacted front desk staff at BestMed Urgent Care, formerly Nova Urgent Care, in Belgrade, Montana, regarding the urgent care visits reflected in Claim Nos. 030491829 and 030513272. The staff member advised that her current records did not match the visit dates provided on the documents submitted by Respondent and explained that Nova Urgent Care had recently been purchased by BestMed and that she could not confirm whether all historical records had transferred to the new system. Treat made several attempts to contact Pennington by phone and email during the CSI investigation, but Respondent did not respond.

CONCLUSIONS OF LAW

28. The Commissioner is authorized to act in protection of insurance consumers and in the public interest and has jurisdiction over this matter pursuant to § 33-1-311, MCA.

29. The Commissioner is tasked with enforcement of the Montana Insurance Code, including the Insurance Fraud Protection Act, §§ 33-1-1201, et seq., MCA.

30. If, after conducting a hearing under § 33-1-701, MCA, the Commissioner determines that a person has committed administrative or civil insurance fraud, the Commissioner may impose a penalty. Section 33-1-317, MCA. That fine can be up to \$5,000 per violation for insurance producers or adjusters. Section 33-1-317, MCA. Additionally, the Commissioner is required to order that person to make restitution to the insurer for all financial loss sustained as a result of the insurance fraud. Section 33-1-1211, MCA.

31. A person commits the act of administrative insurance fraud under § 33-1-1202(1), MCA when the person presents or causes to be presented to an insurer a false, incomplete, or misleading statement intended to support a claim for payment under an insurance policy.

32. The Respondent committed administrative civil insurance fraud when between July 16, 2021 and April 11, 2023, the Respondent submitted over twenty false insurance claims for payment to Aflac. Claim Nos. 029852409, 030491829, 030513272, 031282740, 032071730, 032488595, 034018462, 034893574, 035342499, 036535390, 036839141, 037942679, 037942711, 038319673, 038477895, 038994778, 039479820, 041287453, 042527366, and 045228101—were fraudulent because the medical providers denied any treatment occurred or services billed. By Aflac's calculation, the total amount paid on these 20 claims was \$9,717.50.

33. Respondent's insurance fraud resulted in financial loss to Aflac and is grounds for the Commissioner to require Respondent to make restitution for all losses sustained as a result of Respondent's actions.

FINAL ORDER

THEREFORE, based on the foregoing findings of fact and conclusions of law, it is hereby ORDERED that:

1. Respondent shall pay a fine of \$5,000.00 to the State of Montana within 30 days of the date of this Order. Payment must be made by check or money order payable to the State of Montana.

2. Payment shall be sent to the Commissioner of Securities and Insurance, Office of the Montana State Auditor, Attn: Brandy Morrison, Paralegal, 840 Helena Avenue, Helena, MT 59601.

3. Respondent shall also pay restitution in the amount of \$9,717.50, payable to Aflac. Payment must be made by check or money order payable to Aflac and sent to CSI (address listed above), Attn: Brandy Morrison.

4. Such fine shall be subordinate to the restitution in the event Respondent is unable to pay the full amount of the fines and restitution.

DATED this 20th day of May, 2026.



JAMES BROWN

Commissioner of Securities and Insurance,
Montana State Auditor

NOTICE

You are entitled to judicial review of this Order in accordance with § 2-4-702, MCA. Judicial review may be obtained by filing a petition in district court within thirty days after the service of this Order.

CERTIFICATE OF SERVICE

I hereby certify that on ~~April~~^{May} 20, 2026, I caused a copy of the foregoing, *Final Agency Action and Default Order*, to be served on the following persons by the following means:

 X Mail
 E-Mail

CHRISTINA AN PENNINGTON
557 GREEN TREE DRIVE
BELGRADE MT 59714



BRANDY MORRISON
Paralegal

RUNE VANDER WEY
Legal Counsel
Commissioner of Securities & Insurance,
Office of the Montana State Auditor
840 Helena Avenue
Helena, MT 59601
Phone: (406) 444-2040
Fax: (406) 444-3497
Email: rvanderwey@mt.gov
E-Service: CSI.LegalService@mt.gov

Counsel for the Commissioner of Securities and Insurance

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OFFICE OF THE MONTANA STATE AUDITOR**

IN THE MATTER OF

PENNINGTON, CHRISTINA,

Respondent.

Case No. INS-2025-00084

**NOTICE OF PROPOSED AGENCY
ACTION AND OPPORTUNITY FOR
HEARING**

TO: CHRISTINA PENNINGTON
557 GREEN TREE DRIVE
BELGRADE MT 59714

The Commissioner of Securities and Insurance, Office of the Montana State Auditor (Commissioner or CSI), has cause to believe that Christina Pennington (Respondent) has violated the Montana Insurance Code, § 33-1-101, *et seq.*, MCA. The Commissioner proposes to levy a fine of \$5,000 and require restitution. The Commissioner has the authority to undertake this action pursuant to the Montana Insurance Code, including §§ 33-1-311, 33-1-317, and 33-1-1211 MCA.

The following is a proposed agency action. Acceptance of CSI's proposed action(s) will resolve this matter and it will be deemed a Final Agency Action based on the facts and law set out below. If Respondent chooses not to accept the penalty, an administrative hearing must be requested; that request must be in writing and received by the Commissioner **within 24 days** of the date this Notice, as described in the Statement of

Rights below. Failure to timely request a hearing can result in entry of a default order as stated in the Possibility of Default section below.

FACTUAL ALLEGATIONS

1. The Respondent is a resident of Montana.
2. In June 2017, The Respondent applied for an Aflac accident policy, requesting an effective date of July 1, 2017, for herself and her family.
3. On June 25, 2020, while employed by Datco Services Corp in Auburn, California, the Respondent completed and electronically signed an Aflac “New Business Transmittal” and conversion application for Policy No. POL68496, again requesting an effective date of July 1, 2020, and electing “Two-Parent Family” accident coverage with payroll deduction through the employer group account GQN42.
4. In this 2020 application, the Respondent listed herself as the proposed insured, identified her spouse as a covered individual, confirmed that she was actively working as an office manager, and acknowledged that the accident policy was intended to supplement her existing comprehensive health coverage.
5. On July 16, 2021, the Respondent’s son, M. P., was involved in a dirt bike accident while riding with a friend around 9:00 a.m. He later presented to Sutter Auburn Faith Hospital’s emergency department complaining of headache, nausea, blurry vision, right leg pain, and back and neck pain. Emergency department records indicate that he arrived at 11:35, was roomed at 12:05, and was ultimately discharged on July 18, 2021, with diagnoses that included a motor vehicle collision involving a dirt bike and a closed head injury. However, Sutter Health Auburn Hospital Emergency Room has no record of an admission for M. P.
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of July 16, 2021. On the claim form, Respondent stated that M.P. “was riding a dirtbike with his friend and they wrecked,” confirmed that the initial treatment occurred in a hospital emergency room, and reported that he was confined to a hospital but not to an intensive care or rehabilitation unit.

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18. The following month, under Claim No. 036839141, she submitted claims for a September 23, 2022 emergency room visit at Sutter Auburn Faith Hospital for M.P.'s left knee laceration, for which Aflac paid \$150.00 for "APL," \$205.00 for accident treatment, and \$300.00 for a laceration benefit, totaling \$655.00.

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27. On March 7, 2025, Treat also contacted front desk staff at BestMed Urgent Care, formerly Nova Urgent Care, in Belgrade, Montana, regarding the urgent care visits

reflected in Claim Nos. 030491829 and 030513272. The staff member advised that her current records did not match the visit dates provided on the documents submitted by Respondent and explained that Nova Urgent Care had recently been purchased by BestMed and that she could not confirm whether all historical records had transferred to the new system. Treat made several attempts to contact Pennington by phone and email during the CSI investigation, but Respondent did not respond.

ASSERTIONS OF LAW

28. The Commissioner is authorized to act in protection of insurance consumers and in the public interest and has jurisdiction over this matter pursuant to § 33-1-311, MCA.

29. The Commissioner is tasked with enforcement of the Montana Insurance Code, including the Insurance Fraud Protection Act, §§ 33-1-1201, et seq., MCA.

30. If, after conducting a hearing under § 33-1-701, MCA, the Commissioner determines that a person has committed administrative or civil insurance fraud, the Commissioner may impose a penalty. Section 33-1-317, MCA. That fine can be up to \$5,000 per violation for insurance producers or adjusters. Section 33-1-317, MCA. Additionally, the Commissioner is required to order that person to make restitution to the insurer for all financial loss sustained as a result of the insurance fraud. Section 33-1-1211, MCA.

31. A person commits the act of administrative insurance fraud under § 33-1-1202(1), MCA when the person presents or causes to be presented to an insurer a false, incomplete, or misleading statement intended to support a claim for payment under an insurance policy.

32. The Respondent committed administrative civil insurance fraud when between July 16, 2021 and April 11, 2023, the Respondent submitted over twenty false insurance claims for payment to Aflac. Claim Nos. 029852409, 030491829, 030513272, 031282740, 032071730, 032488595, 034018462, 034893574, 035342499, 036535390, 036839141, 037942679, 037942711, 038319673, 038477895, 038994778, 039479820, 041287453, 042527366, and 045228101—were fraudulent because the medical providers

denied any treatment occurred or services billed. By Aflac's calculation, the total amount paid on these 20 claims was \$9,717.50.

33. Respondent's insurance fraud resulted in financial loss to Aflac and is grounds for the Commissioner to require Respondent to make restitution for all losses sustained as a result of Respondent's actions.

PROPOSED AGENCY ACTION

WHEREFORE, the Commissioner, in his discretion and considering, *inter alia* the gravity, number and scope of offense(s), and the financial loss involved, and to protect the health, safety, and welfare of the public, proposes to order the following:

1. A fine in the amount of \$5,000, per violation, to the State of Montana pursuant to §§ 33-1-317, § 33-1-1211, MCA, plus interest at the statutory rate from the date of the Commissioner's final order;
2. Such fine shall be subordinate to the restitution in the event Respondent is unable to pay the full amount of the fines and restitution; and
3. Payment of \$9,717.50 plus any other financial loss sustained by Aflac as a result of Respondent's insurance fraud.

STATEMENT OF RIGHTS

Respondent is entitled to contest the Commissioner's proposed action by requesting a hearing; this is called an administrative or "contested case" hearing. Section 2-4-102(4), MCA. To do so, **within 24 days of the date this Notice**, Respondent must submit a **written hearing request** to CSI at 840 Helena Avenue, Helena, MT 59601 or CSI.LegalService@mt.gov. A hearing request may, but does not have to, include a response to the allegations set forth above.

If a hearing is requested, the Commissioner may appoint an impartial hearing examiner to conduct the proceedings under the provisions of the Montana Administrative Procedures Act, Mont. Code Ann. Title 2, Chapter 4, Part 6. Sections 2-4-611, 33-1-701, MCA; Admin. R. Mont. 1.3.218. Respondent will be provided notice of the time, place, and nature of the hearing; and will be entitled to participate in the contested case process

and respond and present evidence and arguments on all issues involved in this action.
Section 2-4-601, -612, MCA.

Respondent has the right to retain legal counsel to represent, accompany, and advise them at any and all stages of this proceeding or may also elect to represent themselves; however, a business entity may not appear on its own behalf or through an agent other than an attorney licensed to practice law. Admin. R. Mont. 1.3.231.

CONTACT WITH COMMISSIONER'S OFFICE

If there are questions or concerns, please contact CSI at 406-444-2040 or CSI.LegalService@mt.gov. If represented by an attorney, please ensure this contact is made by the attorney.

POSSIBILITY OF DEFAULT

Failure to timely provide a written hearing request shall result in the entry of a default order imposing the Commissioner's proposed action, without additional notice, pursuant to Admin. R. Mont. 1.3.214.

DATED this 23 day of February, 2026.

/s/ Rune Vander Wey
RUNE VANDER WEY
Counsel for Commissioner of Securities & Insurance

CERTIFICATE OF SERVICE

I hereby certify that on February 23, 2026, I caused a copy of the foregoing, *Notice of Proposed Agency Action and Opportunity For Hearing*, to be served on the following persons by the following means:

 X Mail
 E-Mail

CHRISTINA AN PENNINGTON
557 GREEN TREE DRIVE
BELGRADE MT 59714

/s/ Tiffany Hoffman
TIFFANY HOFFMAN
Paralegal

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Exhibit B

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February 24, 2026, 5:08 pm

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