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

IN THE MATTER OF FOUR A'S INSURANCE AGENCY d/b/a BISSELL INSURANCE AGENCY License No., 3000369313, and ARTHUR HOFFART License No., 12754, Respondents.	Case No. INS-2024-00084 **AMENDED NOTICE OF PROPOSED AGENCY ACTION AND OPPORTUNITY FOR HEARING**

As explained below, the Commissioner of Securities and Insurance, Office of the Montana State Auditor ("Commissioner" or "CSI"), has reason to believe that Four A's Insurance Agency d/b/a Bissell Insurance Agency ("Bissell Insurance") and Arthur Hoffart have violated the Montana Insurance Code, Mont. Code Ann. §§ 33-1-101, et seq. This Amended Notice of Proposed Agency Action ("NOPAA") outlines the factual and legal basis for the allegations and the possible administrative penalties.

FACTUAL ALLEGATIONS

1. Four A's Insurance Agency[1] d/b/a Bissell Insurance Agency[2] ("Bissell Insurance") is a Montana-licensed insurance agency (license #3000369313, NPN # 18888321) located in Bozeman, Montana.

2. The only licensed insurance producer associated with Bissell Insurance is Arthur Hoffart. Hoffart is a Montana-licensed insurance producer (license #12754, NPN # 127030). Hoffart is the owner and manager of Bissell Insurance.

3. In 2018, CSI received a complaint alleging that an employee had embezzled money from Hoffart and Bissell Insurance. During the investigation, CSI discovered that Hoffart and Bissell Insurance were employing several employees to solicit, negotiate, and sell insurance policies who did not possess an insurance producer license.

4. On August 7, 2018, CSI Investigators Neil Brunett and Bryan Stanley conducted a recorded interview with Hoffart concerning the use of unlicensed insurance producers. Hoffart was represented by legal counsel during the interview. As part of the interview, Investigator Brunett told Hoffart unequivocally, "You can't use unlicensed people to conduct insurance business." Investigator Stanley added, "You're licensed. You took a test to establish that you have a base level of knowledge. An unlicensed

[1] A company named "Four A's Insurance Inc." is registered with the Montana Secretary of State as a domestic profit corporation with the business purpose of "Insurance Sales." Arthur Hoffart is listed as the president of the corporation. There is no business entity named "Four A's Insurance Agency" registered with the Montana Secretary of State. Thus, it appears that Hoffart obtained a license for Four A's Insurance Agency under a fictitious business name.

[2] According to the Montana Secretary of State's website, "Bissell Insurance Agency" is an inactive and expired assumed business name of Four A's Insurance Inc. The assumed business name Bissell Insurance Agency has been expired since December 18, 2022.

person has no basis of knowledge . . . You have shown and demonstrated that you're knowledgeable about insurance law and insurance itself. Somebody who hasn't isn't and can't . . . Don't try to make your own calls on some of this stuff. Because in reality, that unlicensed person is super limited in what they can do . . . [A]n unlicensed person shouldn't be giving any coverage-related, policy-related, anything like that because they don't know . . . Now, all these people are saying before they were licensed that they were giving quotes. So, [they] can't give quotes, right?" Hoffart responded, "I know. I know."

5. In March 2024, CSI Licensing Bureau reported to CSI Investigations Bureau that Hoffart and Bissell Insurance were continuing to use unlicensed employees to solicit, negotiate, and sell insurance. This referral included a screenshot from the Bissell Insurance website listing two individuals, B.B. and D.O., on the "About us" section. B.B. and D.O. were not licensed insurance producers at the time.

6. On April 3, 2024, Investigators Stanley and Rodney Harker visited Bissell Insurance's office in Bozeman and met with Hoffart. Hoffart volunteered that B.B. and D.O. were unlicensed and worked at the agency, and that he had fired a third unlicensed employee the previous Friday. When Hoffart was asked what duties the unlicensed employee performed, he responded that they were probably duties they shouldn't be doing.

7. Hoffart eventually asked Investigators Stanley and Harker to leave the Bissell Insurance office, so they were unable to complete their investigation at that time.

I. Interview with B.B.

8. During a recorded interview on October 31, 2024, B.B. explained that she started working for Hoffart and Bissell Insurance in late 2023. When she started, there was chaos and the agency was three to six months behind in processing the mail. After a while, Hoffart directed B.B. to start obtaining insurance quotes for customers, but he never provided B.B. with any training on how to do so. B.B. explained that although she quoted policies, "I didn't feel comfortable because I don't know anything about insurance. So, I mean, I learned while I was there a little bit, but I never felt comfortable."

9. B.B. also made updates to homeowner's insurance policies. When a customer wanted to increase or modify their coverage, she would communicate the change to the underwriter, and the carrier would process the update.

10. B.B. asked Hoffart several times whether she needed a license. As B.B. explained, she asked about needing a license, "[b]ecause I know people have licenses to do insurance. So, I wanted to be sure that I was okay to do it, and I made the mistake of trusting him." Hoffart told B.B. that giving customers quotes was okay, she wouldn't get in trouble, and that it was legal.

11. B.B. added that Hoffart was doing a disservice to his clients, and she said she wouldn't recommend anyone get insurance from Bissell Insurance. B.B. explained that because Hoffart takes on so many clients, but doesn't process everything thoroughly, many people probably believe they had insurance when they did not. She observed that

people would regularly come into the office believing they had insurance, but there was no record that a policy had actually been issued.

II. Interview with D.O.

12. During a recorded interview on November 1, 2024, D.O. explained that he started working for Hoffart and Bissell Insurance in 2023. From the start, Hoffart asked D.O. to sell automotive insurance policies, including handling quotes. D.O. explained that when people called Bissell Insurance about auto insurance, he would take their information, enter it into the system, and provide a quote. If the person decided to purchase the insurance, he would process the payment and finalize the application.

13. D.O. was trained on how to quote insurance by a former Bissell Insurance employee, whom D.O. believes was also an unlicensed insurance producer. D.O. said he really did not know the ins and outs of insurance and that the only instruction he received from Hoffart was about what liability limits to offer.

III. Issuance of Counterfeit Certificates of Insurance

14. On November 15, 2024, Arch Insurance Company reported to CSI Investigations Bureau that Hoffart and Bissell had issued fraudulent Certificates of Insurance (COIs) regarding Commercial General Liability (CGL) insurance coverage for Mink on the Fly Guide Service in Endicott, NY.

15. CSI's investigation into the report from Arch Insurance revealed that Hoffart and Bissell issued COIs regarding Mink on the Fly Guide Service dated 03/15/24 to five (5) Certificate Holders. All five (5) COIs were counterfeit in that they contained

fake policy numbers and covered a time period for which Mink on the Fly Guide Service did not have the insurance coverage identified on the COIs.

16. CSI's investigation further revealed that Hoffart and Bissell issued COIs to various Certificate Holders regarding Minturn Anglers LLC in Minturn, CO. Sixty-seven (67) of those COIs were dated 07/13/23 and thirty-eight (38) more COIs were dated 01/16/24. All one hundred five (105) COIs were counterfeit in that they contained fake policy numbers and covered a time period for which Minturn Anglers LLC did not have the insurance coverage identified on the COIs.

ASSERTIONS OF LAW

1. The Commissioner is tasked with enforcing the Montana Insurance Code and has a statutory duty to ensure the interests of insurance consumers are protected. Mont. Code Ann. § 33-1-311. This includes enforcing the prohibition on insurers and insurance producers employing unlicensed employees to sell, solicit, or negotiate insurance as set forth in Mont. Code Ann. § 33-17-201(1) and civil insurance fraud as set forth in Mont. Code Ann. § 33-1-1202.

2. The Insurance Code defines "sell" to mean "exchange a contract of insurance by any means, for money or the equivalent, on behalf of an insurance company." Mont. Code Ann. § 33-17-102(22). "Solicit" means "attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance." *Id.* at -102(23). "Negotiate" means "the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract if the

person engaged in negotiation either sells insurance or obtains insurance from insurers for purchasers." *Id.* at -102(19).

3. To enforce the prohibition on using unlicensed insurance producers, the Insurance Code makes it a violation for an insurance producer to pay or share, directly or indirectly, valuable consideration to a person for services as an insurance producer unless the person performing the service holds a valid license with regard to the kind or kinds of insurance for which the service was rendered at the time the service was performed. Mont. Code Ann. § 33-17-1103. In fact, the State of Montana takes the use of unlicensed employees to solicit, negotiate, or sell insurance so seriously that it is a felony criminal offense for a corporation to knowingly employ an unlicensed producer. Mont. Code Ann. § 33-1-1509.

4. A person commits the act of administrative or civil insurance fraud when the person . . . presents or causes to be presented counterfeit insurance documents to any person. Mont. Code Ann. § 33-1-1202(7).

5. The term "counterfeit" is not defined in isolation in Montana statutes, but it is used in specific legal contexts such as forgery law, Mont. Code Ann. § 45-6-325. In that context, "counterfeit" refers to goods or documents that appear to be genuine but are not and are intended to deceive.

6. If, after conducting a hearing, the Commissioner determines that a person has violated the Insurance Code, the Commissioner may impose an administrative fine. Mont. Code Ann. § 33-1-317. For a licensed insurance producer, the fine may not exceed $5,000 per violation. *Id.*

7. Further, the Commissioner may suspend, revoke, or refuse to renew a license for several reasons, including if the licensee has "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;" " 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;" or "knowingly accepted insurance business from a person who is not licensed." Mont. Code Ann. § 33-17-1001(1)(c), (f), (l). The license of a business entity may be suspended, revoked, or refused if a reason is listed in Mont. Code Ann. § 33-17-1001(1) applies to an individual designated in the license to exercise its powers. *Id.* at -1001(2).

8. Here, even after the warning provided by CSI in 2018, Hoffart and Bissell Insurance continued paying employees to solicit, negotiate, and sell insurance, and otherwise act as insurance producers, despite the employees not being properly licensed. Further, Hoffart and Bissell issued numerous counterfeit Certificates of Insurance. If confirmed by the preponderance of the evidence at the hearing, this conduct violates the Insurance Code.

PROPOSED AGENCY ACTION AND POTENTIAL PENALTIES

After considering the evidence, the Commissioner, in his discretion, considering *inter alia*, the gravity of the situation, the number and scope of offenses, and consideration of the health, safety, and welfare of the public, may impose the following penalties:

1. An administrative fine not to exceed $10,000, together with interest at the statutory rate from the date of the Commissioner's final order, against Hoffart for two violations of the Insurance Code (employing B.B. and D.O. to solicit, negotiate, and sell insurance when they were not properly licensed).
2. An administrative fine not to exceed $10,000, together with interest at the statutory rate from the date of the Commissioner's final order, against Bissell Insurance for two violations of the Insurance Code (employing B.B. and D.O. to solicit, negotiate, and sell insurance when they were not properly licensed).
3. An administrative fine not to exceed $525,000, together with interest at the statutory rate from the date of the Commissioner's final order, against Hoffart for one hundred five violations of the Insurance Code (issuing counterfeit Certificates of Insurance).
4. An administrative fine not to exceed $525,000, together with interest at the statutory rate from the date of the Commissioner's final order, against Bissell Insurance for one hundred five violations of the Insurance Code (issuing counterfeit Certificates of Insurance).
5. To suspend or revoke Hoffart's license.
6. To suspend or revoke Bissell Insurance's license.
7. Such other administrative penalties as the evidence and law support.

DATED July 23rd, 2026

By: [signature]

RICHARD E. WOOTTON
Legal Counsel
Commissioner of Securities and Insurance

CERTIFICATE OF SERVICE

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

1,2,3 Mail
1,2,3 E-Mail

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