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BEFORE THE STATE AUDITOR AND COMMISSIONER OF INSURANCE  
STATE OF MONTANA

IN THE MATTER OF THE PROPOSED  
DISCIPLINARY TREATMENT OF  
MINICO, INC.,

Case No. 2004-18

CONSENT AGREEMENT  
AND FINAL ORDER

Respondent.

The State Auditor and Commissioner of Insurance of the state of Montana  
(Commissioner), pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. §  
33-1-101, *et seq.*, hereby makes the following allegations which justify and support  
disciplinary treatment:

FACT ASSERTIONS

1. Respondent MiniCo, Inc. is a business entity with offices located at 2531 W. Dunlap Avenue, Phoenix, Arizona, 85021.
2. MiniCo, Inc. is currently licensed as a business entity nonresident insurance producer (property and casualty lines) in Montana.
3. The Montana Insurance Department received information that MiniCo, Inc. is acting as and/or holding itself out as an administrator in Montana without being properly registered as such with the Department.

CONCLUSIONS OF LAW

1. The State Auditor is the Commissioner of Insurance pursuant to Mont. Code Ann. § 2-15-1903.
2. The Montana Insurance Department (Department) is under the control and supervision of the Commissioner of Insurance pursuant to Mont. Code Ann. §§ 2-15-1902 and 33-1-301.



1 representative of the Department to induce Respondent to enter into this Consent Agreement.

2 3. The Department contends as set forth in the preceding Factual Assertions and  
3 Conclusions of Law and MiniCo, Inc. admits the same. The Department and MiniCo, Inc.  
4 have elected to resolve these matters as follows:

5 (a) MiniCo, Inc. has applied with the Department for a certificate of  
6 registration as an administrator;

7 (b) MiniCo, Inc. will not act as an administrator and will not hold itself out as  
8 an administrator in Montana and/or with regard to insurance transactions or claims arising in  
9 Montana unless properly registered as an administrator;

10 (c) MiniCo, Inc. shall pay an administrative fine of \$500.00 to the Department  
11 within 30 days following the signing of the Final Order in this matter;

12 (d) MiniCo, Inc. specifically and affirmatively waives a contested case hearing  
13 and all rights to appeal under the Montana Administrative Procedure Act, and elects to resolve  
14 this matter on the terms and conditions set forth herein;

15 (e) The Department and MiniCo, Inc. agree that compliance with this Consent  
16 Agreement and Final Order shall be a final compromise and settlement of the matters set forth  
17 herein;

18 (f) The Department and MiniCo, Inc. agree that this Consent Agreement shall  
19 be incorporated and made a part of the attached Final Order issued by the Commissioner  
20 herein;

21 (g) MiniCo, Inc. further understands that, upon the signing of the Final Order  
22 by the Commissioner or his representative, this Consent Agreement and Final Order will be an  
23 order of the Commissioner and failure to comply with the same may constitute separate  
24 violations of the Montana Insurance Code, pursuant to Mont. Code Ann. § 33-2-119 and/or  
25 other applicable statutes or rules, and may result in subsequent legal action by the Department;  
26 and

27 (h) MiniCo, Inc. fully and forever releases and discharges the Commissioner,

1 Department, and all Department employees from any and all actions, claims, causes of action,  
2 demands, or expenses for damages or injuries, whether asserted or unasserted, known or  
3 unknown, foreseen or unforeseen, arising out of the factual allegations or conclusions in this  
4 Consent Agreement.

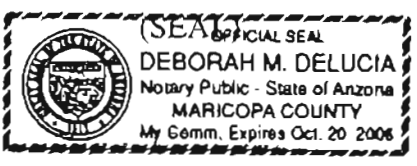
5 4. MiniCo, Inc. understands that this Consent Agreement is not effective until such  
6 time as the following Final Order is signed.

7 5. MiniCo, Inc. understands that this Consent Agreement and Final Order are  
8 public records under Montana law and as such may not sealed or otherwise withheld from the  
9 public.

10  
11 MINICO, INC., RESPONDENT

12 By: [Signature] 3/24/04  
13 Its: Vice President, Insurance Date

14 Subscribed and Sworn to before me this 24 day of March, 2004.



[Signature]  
19 Notary Public for the State of Arizona  
20 Residing at 3809 W. Hartford Ave, Glendale  
21 My commission expires Oct. 20, 2006

22 ACCEPTED ON BEHALF OF THE INSURANCE DEPARTMENT:

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21 [Signature] 4-2-04  
Jennifer Massman, Staff Attorney Date  
Insurance Department

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FINAL ORDER

Pursuant to the authority vested by the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq., and upon review of the forgoing Consent Agreement and good cause appearing therefor,

IT IS ORDERED that the foregoing Consent Agreement between the Insurance Department and MiniCo, Inc. is hereby adopted as if set forth fully herein.

DATED this 2<sup>nd</sup> day of April, 2004.

JOHN MORRISON  
State Auditor and Commissioner of Insurance

  
By: Alicia Pichette  
Deputy Insurance Commissioner



# NOTICE OF REGULATORY ACTIVITY (RIRS)

For submission of regulatory actions reported to the NAIC.

## ENTITY INFORMATION

Entity name, address and a numeric identifier (CoCode, AA/FEIN, SSN, Entity Number or National Producer Number) are required.

Entity Name: **MINICO, INC** State ID: **23257691**  
(for Individual Name key in Last Name, First Name, Middle Name and Suffix if available)

NAIC Entity No: \_\_\_\_\_ NAIC CoCode: \_\_\_\_\_ AA/FEIN: **86 - 0435982**

Entity Type Code: **F**  **I**  **R**  **N**  **M**  **D**  Entity Function Code: **TPA - Tbi** **D**  **O**  **S**  **B**  **N**  **-** **-**  
(select one) (listed on back)

Addr: **2531 W. DUNLAP AVE** Line 2 Addr: \_\_\_\_\_ Line 3 Addr: \_\_\_\_\_  
 City: **PHOENIX** State: **AZ** Zip: **85021 -** Phone: **( 602 ) 870 - 1711**

## ACTION INFORMATION

### ORIGIN OF ACTION

Check at least one item in the section below – maximum 4

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> (1005) Complaint Investigation             | <input type="checkbox"/> (1020) Insurer Report      | <input type="checkbox"/> (1045) Combined Exam               |
| <input type="checkbox"/> (1007) Field Investigation                            | <input type="checkbox"/> (1023) Statistical Filing  | <input type="checkbox"/> (1050) Bankruptcy Notices          |
| <input type="checkbox"/> (1008) Public Inquiry                                 | <input type="checkbox"/> (1025) Legal               | <input type="checkbox"/> (1055) Third Party Information     |
| <input type="checkbox"/> (1010) Routine Dept. Action                           | <input type="checkbox"/> (1030) Market Conduct Exam | <input type="checkbox"/> (1060) Licensing Administration    |
| <input type="checkbox"/> (1015) Other States Action                            | <input type="checkbox"/> (1035) Financial Exam      | <input type="checkbox"/> (1063) Background Check            |
| <input type="checkbox"/> (1018) Information/Referral from Another state Agency | <input type="checkbox"/> (1040) Workers Comp Exam   | <input type="checkbox"/> (1065) Other (enter up to 50 char) |

\* if checked you must enter description.

### REASON FOR ACTION

Check at least one item in the section below – maximum 20

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| <input type="checkbox"/> (2005) Underwriting                                      | <input type="checkbox"/> (2040) Failure to Timely File                             | <input type="checkbox"/> (2075) Failure to report other state action       |
| <input checked="" type="checkbox"/> (2010) Marketing & Sales                      | <input type="checkbox"/> (2042) Failure to Pay Child Support                       | <input type="checkbox"/> (2080) Dissolution                                |
| <input type="checkbox"/> (2012) Life Insurance Replacement Violation              | <input type="checkbox"/> (2045) Rebating   | <input type="checkbox"/> (2085) Failure to pay tax                         |
| <input type="checkbox"/> (2014) Misrepresentation of Insurance Product/Policy     | <input type="checkbox"/> (2050) Rate Violation                                     | <input type="checkbox"/> (2090) Failure to pay fine                        |
| <input type="checkbox"/> (2015) Claim Handling                                    | <input type="checkbox"/> (2053) Use of Unapproved Forms                            | <input type="checkbox"/> (2095) Failure to pay assessment                  |
| <input type="checkbox"/> (2020) Policyholder Service                              | <input type="checkbox"/> (2055) No License   | <input type="checkbox"/> (2097) Bail Bond Forfeiture Judgement             |
| <input type="checkbox"/> (2025) Advertising                                       | <input type="checkbox"/> (2056) Demonstrated Lack of Fitness or Trustworthiness    | <input checked="" type="checkbox"/> (2100) No Certificate of Authority     |
| <input type="checkbox"/> (2026) Premium Finance Act Violation                     | <input type="checkbox"/> (2058) Misstatement on Application                        | <input type="checkbox"/> (2101) Certification Violation                    |
| <input type="checkbox"/> (2027) Surplus Lines Violation                           | <input type="checkbox"/> (2059) Failure to Make Required Disclosure on application | <input checked="" type="checkbox"/> (2102) Unauthorized Insurance Business |
| <input type="checkbox"/> (2028) TPA Violation                                     | <input type="checkbox"/> (2060) Not Appointed                                      | <input type="checkbox"/> (2103) Fiduciary Violation                        |
| <input type="checkbox"/> (2029) Unfair Insurance Practices Act Violation          | <input type="checkbox"/> (2061) Selling for Unlicensed Insurer                     | <input type="checkbox"/> (2104) Failure to Remit Premiums to insurer       |
| <input type="checkbox"/> (2030) Failure to meet Continuing Education Requirements | <input type="checkbox"/> (2062) Allowed Business from Agent Not Appointed/Licensed | <input type="checkbox"/> (2105) Misappropriation of Premium                |
| <input type="checkbox"/> (2032) Continuing Education Requirements Met             | <input type="checkbox"/> (2063) Employed Unlicensed Individuals                    | <input type="checkbox"/> (2106) Forgery                                    |
| <input type="checkbox"/> (2035) Failure to Respond                                | <input type="checkbox"/> (2064) Paid Commissions to Unappointed Agents             | <input type="checkbox"/> (2107) Criminal Record/History                    |
| <input type="checkbox"/> (2036) Late or Incomplete Response                       | <input type="checkbox"/> (2065) Notice of Financial Impairment from another state  | <input type="checkbox"/> (2108) Criminal Proceedings                       |
| <input type="checkbox"/> (2037) Failure to Notify Department of Address Change    | <input type="checkbox"/> (2070) Financial Impairment                               | <input type="checkbox"/> (2110) Reconsideration                            |
| <input type="checkbox"/> (2038) Failure to Comply with Previous Order             | <input type="checkbox"/> (2072) Cure of Financial Impairment                       | <input type="checkbox"/> (2115) Other (enter up to 50 char)                |
| <input type="checkbox"/> (2039) Failure to Maintain Books & Records               | <input type="checkbox"/> (2074) Other States Action                                |  |

\* if checked you must enter description.

**Continue form on reverse side**

**DISPOSITION**

Check at least one item in the section below - maximum 4

- (3001) License, Denied
- (3003) License, Suspended
- (3004) License, Cancelled
- (3006) License, Revoked
- (3009) License, Probation
- (3010) License, Conditional
- (3011) License, Supervision
- (3012) License, Reinstatement
- (3013) License, Granted
- (3014) License, Surrendered
- (3015) License, Voluntarily Surrendered
- (3016) License, Other (50 Char)

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- (3021) Certificate of Authority, Denied
- (3023) Certificate of Authority, Suspended
- (3025) Certificate of Authority, Suspension Extended
- (3026) Certificate of Authority, Revoked

- (3028) Certificate of Authority, Expired
- (3029) Certificate of Authority, Probation
- (3031) Certificate of Authority, Reinstated
- (3034) Certificate of Authority, Surrendered
- (3036) Certificate of Authority, Other (enter up to 50 char)

**APPLIED FOR**

- (3042) Cease and Desist from Violations
- (3043) Cease and Desist from all Insurance Activity
- (3045) Consent Order
- (3046) Stipulated Agreement/Order
- (3047) Previous Order Vacated
- (3048) Ordered to provide requested information
- (3050) Temporary Restraining Order
- (3055) Reprimand
- (3060) Hearing Waiver

- (3065) Show Cause
- (3070) Re-exam
- (3075) Rescission of
- (3076) Involuntary Forfeiture
- (3078) Restitution
- (3079) Suspended from writing new business; renewals ok
- (3080) Supervision
- (3085) Rehabilitation
- (3090) Liquidation
- (3095) Conservatorship
- (3100) Receivership
- (3101) Ancillary Receivership
- (3102) Monetary Penalty
- (3103) Aggregate Monetary Penalty
- (3104) Settlement
- (3105) Other (you must enter up to 50 char)

**Complete as needed**

Time or Length of Order: ( ) (If DAYS, enter number of days) \_\_\_\_\_ Penalty/Fine/Forfeiture \$ **500** Enter amount in whole dollars only. Do not use punctuation.  
 \* Length of time required for Suspensions, Probations and Supervisions.

**Required, please complete**

Action Date: 3/24/2004 Effective Date: 4/2/2004 File Reference # 2004-18

**CONTACT INFORMATION**

Required, Please complete.

Action State MT Contact Name: Last Massman First: Jennifer MI: L  
 Phone: (406) 444 - 2040 e-mail address: jmassman@mt.gov

Mail completed form to: NAIC, RIRS, 2304 McGee Suite 800 Kansas City, Mo 64108  
 Or  
 Fax completed form to: NAIC, RIRS, 816.460.7510 or e-mail to: [mktdata@naic.org](mailto:mktdata@naic.org) (Re: RIRS)

**ENTITY FUNCTION CODES**

Code	Description	Code	Description	Code	Description
ADJ	Adjuster/Appraiser	KEE	Key Employee	RRF	Risk Retention Group
AIR	Allen Insurer/Reinsurer	MET	MET/MEWA	SCY	Security
CAI	Captive Insurer	MGA	Managing General Agent	SEC	Secretary
CEO	Chief Executive Officer	OFF	Officer	SEI	Self Insured
COO	Chief Operating Officer	OTH	Other	STF	State Funded
DIT	Director/Trustee	PFC	Premium Finance Co.	TPA	Third Party Administrator
EMP	Employee	PRE	President	UDI	U.S. Domiciled Insurer
HCP	Health Care Provider	PRI	Principal/Owner	UNK	Unknown
HMO	Health Maintenance Org.	PRO	Producer (agency, brokerage etc)	URO	Utilization Review Org.
INC	Insurance Consultant	REI	Reinsurance Intermediary	VIP	Vice President
JUA	Joint Underwriting Assoc.	RPG	Risk Purchasing Group		