

JESSE LASLOVICH
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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,
OFFICE OF THE MONTANA STATE AUDITOR**

IN THE MATTER OF:)	CASE NO. INS-2015-371
)	
UNIGARD INSURANCE COMPANY,)	CONSENT AGREEMENT AND
)	FINAL ORDER
Respondent.)	
)	
)	

This Consent Agreement (Agreement) is 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 Unigard Insurance Company (Respondent). The corresponding Final Order (Order) is issued by the authority of the Commissioner of Securities and Insurance, Office of the Montana State Auditor (Commissioner).

RECITALS

WHEREAS, Respondent is a foreign licensed property and casualty insurer, Certificate of Authority # 5606;

WHEREAS, the CSI received a complaint from a Montana body shop relating to a third-party claim resulting from an accident involving an insured of Respondent;

WHEREAS, the complainant alleged that Respondent required or pressured the third-party claimant to obtain automobile repairs from a body shop other than the complainant;

WHEREAS, following an investigation, the CSI alleged that Respondent violated Mont. Code Ann. § 33-18-224;

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

I. Respondent stipulates and consents to the following:

A. Respondent admits to the allegations in the Recitals, above.

B. Within ten business days from the execution of this Agreement,

Respondent shall pay the State of Montana an administrative penalty of fifteen thousand dollars (\$15,000.00). The payment shall be in the form of check made payable to the State of Montana, and sent to:

Montana State Auditor
c/o Darla Sautter
840 Helena Avenue
Helena, MT 59601

C. Respondent agrees that it will refrain from:

1. Requiring, coercing, or inducing a claimant to use a particular body shop;
2. Refusing to pay the full value (minus deductible) of a repair claim from a body shop, without demonstrating that the repair claim would exceed the reasonable and necessary cost to repair the covered damages; and

3. Generating body shop-specific claim system notes indicating Respondent's representatives should discourage or prohibit claimants from using a specific body shop.

D. Respondent fully and forever releases and discharges the CSI, its employees, and its agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.

E. Respondent specifically and affirmatively waives a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101 et seq , and elects to resolve this matter on the terms and conditions set forth herein.

F. Respondent acknowledges that this Agreement is signed by its authorized representative, who has read and understands each term of this Agreement.

G. Respondent acknowledges that it enters into this Agreement voluntarily and without reservation.

II. All parties to this Agreement stipulate and consent as follows:

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

B. 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.

C. 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 Recitals.

D. 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.

E. 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.

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

G. This Agreement shall be incorporated into and made part of the attached Order issued by the Commissioner.

H. 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 a separate violation of the Code, pursuant to §§ 33-1-317 and 318, and may result in subsequent legal action by the CSI.

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

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J. 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 3rd day of May, 2016.

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

By: 
JESSE LASLOVICH
NICK MAZANEC
Attorneys for the CSI

DATED this 27 day of April, 2016.

UNIGARD INSURANCE COMPANY

By: 
Name: John Suoboda
Its: SVP

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 CSI and Respondent Unigard Insurance Company, is adopted as if set forth fully herein.

DATED this 4th day of May, 2016.

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

By: 
GREG DAHL
Deputy Insurance Commissioner