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**AUG 26 2019**  
Department of Insurance  
State of Idaho

*Attorneys for the Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

IDAHO DEPARTMENT OF INSURANCE,

Complainant,

vs.

REYNOLD BOYD LEAVITT, also known as  
RENNIE LEAVITT, an individual holding  
Idaho Resident Producer License No. 384316,

Respondent.

Docket No. 18-3632-19

**STIPULATION AND  
FINAL ORDER**

COME NOW the staff of the Idaho Department of Insurance (“Department”) and REYNOLD BOYD LEAVITT also known as RENNIE LEAVITT (hereinafter “LEAVITT”), resident producer under title 41 of the Idaho Code, holding Resident Producer License No. 384316, and do hereby agree and stipulate as follows:

**FINDINGS OF FACT**

1. LEAVITT is a licensed insurance producer in the state of Idaho, holding Resident

Producer License No. 384316, which license is due to expire on December 31, 2019. LEAVITT is subject to the provisions of title 41, Idaho Code, and to the rules of the Idaho Department of Insurance promulgated thereunder.

2. The Director of the Department (“Director”) has jurisdiction over LEAVITT and the subject matter herein pursuant to provisions of Idaho’s Producer Licensing Act, Idaho Code §§ 41-1001 *et seq.*, as well as the Idaho Insurance Code, Idaho Code §§ 41-101 *et seq.*

3. On March 28, 2019, the Department filed a Verified Complaint and Notice of Right to Hearing (hereinafter “Verified Complaint”), seeking revocation of LEAVITT’s producer license and imposition of administrative penalties.

4. Among the allegations in the Verified Complaint were that, on sixteen occasions, LEAVITT charged a fee to customers of his dune buggy rental business for liability insurance when there was no insurance in effect on the vehicles.

#### **CONCLUSIONS OF LAW**

5. Idaho Code § 41-1016(1) provides that the Director of the Department may impose an administrative penalty of up to \$1,000, and suspend, revoke, or refuse to issue an insurance license for certain enumerated violations.

6. Idaho Code § 41-1016(1)(e) gives cause for the imposition of a penalty and action against a producer for “[m]isrepresenting the terms of an actual or proposed insurance contract or application for insurance or misrepresenting any fact material to any insurance transaction or proposed transaction.”

7. By representing that a fee for dune buggy rentals was imposed for insurance when there was no insurance coverage in effect, LEAVITT violated Idaho Code § 41-1016(1)(e).

8. Idaho Code § 41-1016(1)(h) gives cause for the imposition of a penalty and action against a producer for “[u]sing fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility, or being a source of injury and loss to the public or others, in the conduct of business in this state or elsewhere.”

9. There is sufficient evidence to demonstrate that LEAVITT violated Idaho Code § 41-1016(1)(h) by offering to the public products that were labeled as insurance coverage when no insurance policy was in effect.

10. Idaho Code § 41-117 makes clear that each instance of violation may be treated as a separate offense.

11. The parties agree that this matter may be brought to a close by a negotiated and stipulated settlement and entry of this Stipulation and Final Order.

#### **AGREEMENT**

12. Based upon the foregoing, LEAVITT and the Department stipulate and agree as follows:

- a. LEAVITT admits to one violation of Idaho Code § 41-1016(1)(e) by characterizing a fee as an insurance fee when no insurance policy was in effect, which act constituted misrepresenting a fact material to an insurance transaction or proposed transaction.
- b. LEAVITT concedes that there is sufficient evidence to support a finding that LEAVITT violated Idaho Code § 41-1016(1)(h) by offering to the public products labeled as insurance coverage when no insurance policy was in effect, which action constituted using fraudulent or dishonest practices or demonstrating untrustworthiness.

c. As sanction for the violation referenced above, LEAVITT and the Department agree to the penalties set forth below and agree that the Director of the Department may enter the Final Order attached hereto, which provides as follows:

- i. That the Stipulation be adopted in full and incorporated into the Final Order;
- ii. That LEAVITT's Idaho Resident Producer License No. 384316 shall be REVOKED, and that LEAVITT shall not submit, nor shall the Department consider, any application by LEAVITT for issuance or reinstatement of an Idaho producer license for a period of five (5) years from the issuance of the Final Order;
- iii. That an administrative penalty shall be imposed against LEAVITT in the amount of Sixteen Thousand Dollars (\$16,000);
- iv. That Eight Thousand Dollars (\$8,000) of the administrative penalty shall be suspended, and the remaining Eight Thousand Dollars (\$8,000) shall be due and payable to the Department within thirty (30) days of entry of the Final Order;
- v. That, in the event LEAVITT submits to the Department an application for any type of Idaho license as authorized under title 41, Idaho Code, the total administrative penalty of Sixteen Thousand Dollars (\$16,000), including any suspended amount, shall be immediately due and payable; and,

vi. Before the Department shall consider any such application from LEAVITT, the balance of the full administrative penalty of Sixteen Thousand Dollars (\$16,000) shall be paid in full.

d. LEAVITT further expressly agrees that, in the event he submits to the Department an application for any Idaho license provided for and authorized under title 41, Idaho Code, the Department may consider the facts and allegations in the Verified Complaint in this action as true for the limited purpose of evaluating LEAVITT's character and fitness for licensure.

13. By entering into this Stipulation, LEAVITT knowingly and voluntarily waives any rights he would otherwise have to notice and a hearing at which he may be represented by counsel, present evidence, and examine witnesses. The parties hereto further waive their right of reconsideration, appeal, and other rights as set forth in title 67, chapter 52, Idaho Code, including the right to submit this matter for review by a court of competent jurisdiction.

14. The parties agree that the terms of this Stipulation and Final Order are appropriate and proper under the circumstances referenced herein.

15. LEAVITT acknowledges that he has read this Stipulation and Final Order and understands its contents; that he has been given the opportunity to discuss this Stipulation and Final Order with independent legal counsel of his choosing; and that he has entered into this Stipulation knowingly, voluntarily, and with full knowledge of any rights he may be waiving thereby.

16. LEAVITT acknowledges that this is an administrative action that may be required to be reported on license applications and license renewal forms and disclosed to other agencies through which LEAVITT holds a license.

17. This Stipulation is subject to approval by the Director or the Director's designee, and shall become effective and binding upon the Department and LEAVITT upon such approval. Should the Director decline to approve this Stipulation and Final Order, the Department and LEAVITT shall retain all of their rights, claims and/or defenses, and any factual and/or legal admissions made by LEAVITT herein shall be withdrawn.

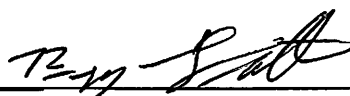
18. This Stipulation constitutes the full and final resolution of all matters addressed herein, and the Department agrees that, subject to the Director's approval described above, the Department shall seek no further civil or administrative sanctions for the violations alleged in the Verified Complaint, Docket No. 18-3632-19, subject to the agreement set forth in Paragraph 12 above.

19. LEAVITT agrees that, upon execution of this Stipulation and Final Order, no subsequent action or assertion shall be maintained or pursued in any manner asserting the invalidity of this Stipulation and Final Order and its provisions.

20. This Stipulation and Final Order embodies the entire agreement between the Department and LEAVITT, and there are no agreements, understandings, representations, or warranties that are not expressly set forth herein.

21. Upon the Director's entry of the Final Order approving this stipulation, this Stipulation and Final Order shall be a public record under the Idaho Public Records Act.

AGREED this 19<sup>th</sup> day of August, 2019.

By:   
REYNOLD BOYD LEAVITT  
also known as RENNIE LEAVITT

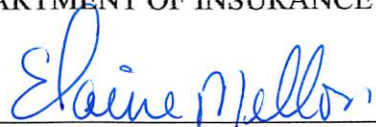
Approved as to Form:



\_\_\_\_\_  
David H. Leroy  
Attorney for the Respondent

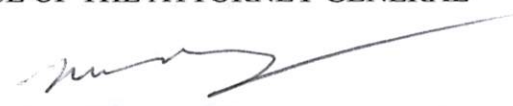
AGREED this 26 day of August 2019.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

By:   
\_\_\_\_\_  
Elaine Mellon, CLU, ChFC  
Bureau Chief, Consumer Services

Approved as to Form:

STATE OF IDAHO  
OFFICE OF THE ATTORNEY GENERAL

By:   
\_\_\_\_\_  
Michael Witry  
Deputy Attorney General  
Attorney for the Department of Insurance

**FINAL ORDER**

The parties hereto, namely the Idaho Department of Insurance and REYNOLD BOYD LEAVITT, also known as RENNIE LEAVITT (“LEAVITT”), having entered into the foregoing Stipulation, and the form of the order having been approved, the Director, having reviewed the same, does hereby find that there is a factual basis for entry of a Final Order herein and does hereby conclude that LEAVITT did violate title 41, Idaho Code, as stated in the Stipulation.

NOW, THEREFORE, based on the foregoing and in consideration of the premises,

IT IS HEREBY ORDERED that the foregoing Stipulation is approved and is incorporated herein as if set forth in full and made a part hereof;

IT IS FURTHER ORDERED that Idaho Resident Insurance Producer License No. 384316 issued to LEAVITT is hereby REVOKED effective immediately, and that LEAVITT shall not submit, nor shall the Department consider, any application by LEAVITT for issuance or reinstatement of an Idaho producer license for a period of five (5) years from the issuance of this Final Order;

IT IS FURTHER ORDERED that an administrative penalty in the amount of Sixteen Thousand Dollars (\$16,000) is hereby imposed against LEAVITT;

IT IS FURTHER ORDERED that Eight Thousand Dollars (\$8,000) of said administrative penalty is suspended, and the remaining Eight Thousand Dollars (\$8,000) is due and payable to the Department within thirty (30) days of entry of this Final Order;

IT IS FURTHER ORDERED that, in the event LEAVITT submits to the Idaho Department of Insurance an application for any type of Idaho license as authorized under title 41, Idaho Code, the total administrative penalty of Sixteen Thousand Dollars (\$16,000), including any suspended amount, shall be immediately due and payable; and,



IT IS FURTHER ORDERED that the Idaho Department of Insurance shall not consider any application from LEAVITT for any Idaho license as authorized under title 41, Idaho Code, until such time that the total administrative penalty has been paid in full.

DATED this 26 day of August, 2019.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE



DEAN L. CAMERON  
Director

**NOTICE REGARDING REPORTABLE PROCEEDINGS**

The foregoing is considered a reportable administrative proceeding. As such, it is a public record and is public information that may be disclosed to other states and reported to companies for which you are actively appointed. This information will be reported to the National Association of Insurance Commissioners (NAIC) and will appear in the online searchable database of the Idaho Department of Insurance. You should be aware that this proceeding must be disclosed on any insurance license application and must be reported to any and all states in which you hold an insurance license.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 26<sup>th</sup> day of August, 2019, I caused a true and correct copy of the foregoing, fully-executed STIPULATION AND FINAL ORDER to be served upon the following by the designated means:

David H. Leroy  
Attorney at Law  
802 W. Bannock Street, Ste. 201  
Boise, ID 83702

- first class mail
- certified mail
- hand delivery
- via facsimile

Michael Witry  
Deputy Attorney General  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

- first class mail
- certified mail
- hand delivery
- via facsimile

David V. Nielsen  
Hearing Officer  
P.O. Box 1192  
Boise, ID 83701-1192

- first class mail
- certified mail
- hand delivery
- via facsimile

  
Pamela Murray