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FILED

AUG 17 2012

Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
OF THE STATE OF IDAHO**

In the Matter of:)	
)	Docket No. 18-2779-12
)	
PAMELA DAWN SWANSTROM, holding)	CONSENT ORDER
Resident Producer License No. 58119.)	
)	
)	
)	
)	

COME NOW the State of Idaho, Department of Insurance (the Department), by and through Georgia Siehl, the Department's Company Activities Bureau Chief and Chief Examiner, and PAMELA DAWN SWANSTROM, an individual licensed in Idaho as a resident insurance producer, and hereby enter into this Consent Order in lieu of a formal administrative proceeding by the Department seeking sanctions against PAMELA DAWN SWANSTROM, pursuant to title 41, Idaho Code, to include revocation of such Idaho resident producer license.

LICENSEE

1. PAMELA DAWN SWANSTROM (SWANSTROM) is an individual who is and has been a licensed resident insurance producer in the state of Idaho, holding Idaho Resident Producer License No. 58119 since August 28, 1997. SWANSTROM engages in business as an insurance producer from Central Idaho Agency (The Agency), located at 158 E Main Street, Suite 3, Grangeville, Idaho. The Agency holds License No. 6751 issued by the Department, and has held an active appointment with Progressive Northwestern Insurance Company (Progressive) since November 30, 1998.

FACTS

2. Christy Dumars is a resident of Grangeville, Idaho. On December 23, 2011, Ms. Dumars while driving her own vehicle was involved in a traffic accident in Lewiston, Idaho.

3. On December 27, 2011, Ms. Dumars visited SWANSTROM at The Agency and requested a policy of liability insurance coverage on the vehicle that had been involved in the December 23, 2011 traffic accident, referenced in the preceding paragraph. On that date, SWANSTROM sold Ms. Dumars a collision only auto insurance policy through Progressive covering such vehicle. During the December 27, 2011 visit with SWANSTROM at The Agency, Ms. Dumars signed an application for auto collision insurance and paid a portion of the total premium due on such policy. Ms. Dumars requested that SWANSTROM backdate the effective date of the coverage to December 22, 2011, for "billing purposes," which SWANSTROM agreed to do. SWANSTROM did not ask Ms. Dumars whether the vehicle to be insured had been in an accident during the period of the backdated coverage. The backdating of the policy resulted in coverage being in effect on December 23, 2011, the date the traffic accident occurred.

4. Although the application for coverage through Progressive was signed by Ms. Dumars on December 27, 2011, SWANSTROM allowed Ms. Dumars to place the date of December 22, 2011, on such application, consistent with SWANSTROM's backdating of the coverage on the vehicle Ms. Dumars sought to insure.

5. Progressive's policy for binding coverage requires payment of premium or partial premium and coverage can be prospective only. Such policy does not allow an agent to backdate coverage, and SWANSTROM had received training from Progressive as to such policy. SWANSTROM's backdating of the coverage on Ms. Dumars's vehicle violated Progressive's company policy, and SWANSTROM had knowledge that, in doing so, she was violating Progressive's company policy. SWANSTROM did not inform Progressive that she was backdating coverage of the policy. SWANSTROM submitted the application containing false information to Progressive.

ALLEGED VIOLATIONS

COUNT ONE: MISREPRESENTING ANY FACT MATERIAL TO ANY INSURANCE TRANSACTION OR PROPOSED TRANSACTION

6. Paragraphs 1 through 5 above are fully incorporated herein by this reference.

7. Idaho Code § 41-1016(1)(e) provides that the Director may impose an administrative penalty and may suspend, revoke, or refuse to continue any license issued to an insurance producer under chapter 10 of the Idaho Insurance Code if the Director finds that a licensee has misrepresented any fact material to any insurance transaction or proposed transaction.

8. SWANSTROM's act of submitting information in an application to Progressive which she knew to be false, as reflected in paragraph 5 above, constitutes a violation of Idaho Code § 41-1016(1)(e), authorizing the Director to impose an administrative penalty against

SWANSTROM, and/or suspend, revoke, or refuse to continue her Idaho insurance producer license.

*COUNT TWO: DEMONSTRATING INCOMPETENCE OR UNTRUSTWORTHINESS
IN THE CONDUCT OF BUSINESS*

9. Paragraphs 1 through 5 above are fully incorporated herein by this reference.

10. Idaho Code § 41-1016(1)(h) provides that the Director may impose an administrative penalty and may suspend, revoke, or refuse to continue any license issued to an insurance producer under chapter 10 of the Idaho Insurance Code if the Director finds that a licensee has demonstrated incompetence or untrustworthiness in the conduct of business in Idaho.

11. SWANSTROM's act of knowingly submitting false information to Progressive on Ms. Dumar's application for insurance coverage, and backdating the coverage, knowing that doing so was in violation of Progressive's company binding policy, demonstrated incompetence or untrustworthiness in the conduct of business in Idaho, authorizing the Director to impose an administrative penalty against SWANSTROM, and/or suspend, revoke, or refuse to continue her Idaho insurance producer license.

REMEDIES

12. SWANSTROM admits to the violations of Idaho Code § 41-1016(1)(e) and -(h) as set forth above.

13. SWANSTROM agrees to pay to the Department by no later than August 10, 2012, an administrative penalty in the amount of five hundred dollars (\$500) as an administrative sanction for the violations referenced in paragraph 12 above.

14. SWANSTROM agrees to comply with the requirements of the Idaho Insurance Code and rules promulgated thereunder at all times in the future.

15. The parties agree that if SWANSTROM enters into this Consent Order and timely complies with all terms and conditions herein, the Department shall seek no further administrative sanctions for the specific violations alleged in this Consent Order other than those set forth herein.

16. The parties agree that the terms of this Consent Order are appropriate and proper under the circumstances referenced herein, and that they have entered into this Consent Order knowingly, voluntarily, and with full knowledge of any rights they may be waiving thereby. Additionally, SWANSTROM waives notice and the opportunity for an administrative hearing regarding the matters referenced herein, as well as any right she may have for reconsideration and/or judicial review regarding the matters underlying this administrative Consent Order.

DATED this 8th day of August, 2012.


PAMELA DAWN SWANSTROM

DATED this 15th day of August, 2012.

STATE OF IDAHO
DEPARTMENT OF INSURANCE


GEORGIA SIEHL
Bureau Chief, Company Activities Bureau

IT IS SO ORDERED.

DATED this 17TH day of August, 2012.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



WILLIAM W. DEAL
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 17th day of August 2012, I caused a true and correct copy of the foregoing fully-executed Consent Order to be served upon the following by the designated means:

Pamela Dawn Swanstrom
Central Idaho Agency
158 E. Main Street, Suite 3
Grangeville, ID 83530-2283


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

Central Idaho Agency, Inc.
504 King Street
P.O. Box 77
Cottonwood, ID 83522-0077

- ☒ first class mail
☐ certified mail
☐ hand delivery
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A. René Martin
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☐ certified mail
☒ hand delivery
☐ via facsimile



Teresa Jones
Assistant to the Director