

**FILED**

**AUG 20 2025**

**Department of Insurance  
State of Idaho**

**Before the Director of the Department of Insurance  
State of Idaho**

**Idaho Department of Insurance,**

Complainant,

vs.

**Tanner Dean Evans,** an individual  
holding Idaho Resident Producer  
License No. 19173566,

Respondent.

Docket No. 18-4502-24

**Findings of Fact, Conclusions of  
Law, and Final Order**

This proceeding is a contested case conducted pursuant to the Idaho Administrative Procedure Act, Title 67, Chapter 52, Idaho Code; the Idaho Insurance Code, Title 41, Idaho Code; and the Idaho Rules of Administrative Procedure of the Attorney General, IDAPA 04.11.01.

The Hearing Officer in this matter issued a Findings of Fact, Conclusions of Law, and Preliminary Order (“Preliminary Order”) in this matter on June 3, 2025. On June 6, 2025, the Department petitioned for a review of the Preliminary Order. On June 12, 2025, I issued an Order on Petition for Review. In this Order, I informed the parties that I intended to review two issues: whether the hearing officer erred in proposing to suspend the Respondent for one month for each violation of title 41, Idaho Code (two months total); and whether the hearing officer erred in finding that the Petitioner must prove that the Respondent engaged in “fraudulent practices” in violation of Idaho Code § 41-1016(1)(h) by clear and convincing evidence, rather than

by preponderance of the evidence.

In preparing this Final Order and making the following findings and conclusions, I have reviewed the agency record in this matter, as provided by Idaho Code § 67-5249.

### **Findings of Fact**

I adopt the Findings of Fact found in the Preliminary Order in their entirety, and make the following additional finding:

1. During Respondent's phone call to Hagerty Insurance at 8:43am on November 28, 2022, he stated that D.L. "does want to maybe look into possibly raising some of the coverage on the vehicles, if that's possible." Ex. 12, at 15:08-15:16. Respondent stated that D.L. wanted to raise coverage on the Chevrolet Bel Airs from \$50,000 to \$80,000. *Id.* at 15:22-15:32. Respondent stated that "forty thousand is still good for the Blazer." *Id.* at 15:35-15:39.

### **Questions Presented for Review**

- I. Whether the hearing officer erred in proposing to suspend the Respondent for one month for each violation of title 41, Idaho Code (two months total).**

#### *Summary of Facts*

1. The Hearing Officer found that the Respondent committed two violations of Idaho Code § 41-1016(1)(h). These violations arise from two phone calls made to Hagerty Insurance<sup>1</sup> on November 28, 2022.

2. In the first phone call, which took place at 8:43am, Respondent spoke to a representative of Hagerty and asked to reinstate coverage on three cars. Preliminary Order, Findings of Fact, § 24. The cars were owned by D.L., who was Respondent's relative.

3. Coverage on these three cars—a 1955 Chevrolet Bel Air, a 1957 Chevrolet Bel

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<sup>1</sup> Testimony at the hearing did not state whether Hagerty Insurance was an insurer or an insurance producer. Exhibit 9 appears to show that Hagerty Insurance Agency, LLC was acting as either a producer or a managing general agent for Essentia Insurance Company in this matter. The record does not indicate whether Evans was ever affiliated with Hagerty or with Essentia.

Air, and a 1972 Chevrolet Blazer—had lapsed in September of 2022. *Id.*<sup>2</sup>

4. At the time of this call, Respondent was aware that all three vehicles had been destroyed by a fire earlier that morning. Preliminary Order, Findings of Fact, ¶ 25.

5. Hagerty's representative denied reinstatement of the policy because more than sixty days had elapsed between the date of lapse and the date of the request. *Id.*, ¶ 24.

6. Respondent phoned Hagerty again at 1:50pm to request an exception to Hagerty's lapse procedures that would reinstate the policies in question. *Id.*, ¶ 30.

7. Respondent did not disclose during either call that the three vehicles had been destroyed. *Id.*, ¶ 29; Ex. 14.

8. In addition, a person sought a quote for these three vehicles from Hagerty via Hagerty's web site on the morning of November 28, 2022, after the fire took place. Ex. 5. This quote sought to insure the vehicles for between \$40,000 and \$180,000. *Id.* One person seeking this quote used a computer with an IP address originating from Pocatello. Tr. 63:21-64:18.

9. The Hearing Officer concluded that Respondent demonstrated dishonesty or incompetence, in violation of Idaho Code § 41-1016(1)(h), during both the 8:43am phone call and the 1:50pm phone call. Preliminary Order, Conclusions of Law, ¶¶ 64, 67.

10. The Hearing Officer recommended that Respondent's resident producer license be suspended for a period of two months following the date of the Final Order and that Respondent pay an administrative penalty of \$2,000 for his violations of Idaho Code § 41-1016(1)(h). *Id.*, ¶¶ 72-73. I requested that the parties brief me on whether this penalty was appropriate.

#### *Legal Standard and Argument*

11. "The selection of administrative sanctions is vested in the agency's discretion." *Knight v. Dep't of Ins.*, 124 Idaho 645, 650 (Ct. App. 1993). In exercising my discretion

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<sup>2</sup> The Hearing Officer found that coverage on all three vehicles had lapsed on September 27, 2022. Preliminary Order, Findings of Fact, § 24. Exhibit 10 reveals that two separate policies were involved. The first, a policy issued to D.L. on the Blazer, lapsed on September 24, 2022. The second, a policy issued to J.Z. on the Bel Airs, lapsed on September 27, 2022.

to impose a penalty, I must “act within the bounds of such discretion” and “reach [my] decision by an exercise of reason.” *Pan American Assurance Co. v. Dep’t of Ins.*, 121 Idaho 884, 886 (Ct. App. 1992).

12. Petitioner characterizes the Preliminary Order’s sanctions as unduly lax—an “unpaid summer vacation.” Brief on Complainant’s Petition for Review (“Petitioner’s Brief”), at 5. Petitioner emphasizes that Respondent not only failed to disclose the condition of the cars to Hagerty, but that Respondent initially denied that he knew that the cars had been destroyed before he made the calls to Hagerty. *Id.* at 3-5.

13. Respondent argues that the Preliminary Order’s proposed sanctions are not appropriate under the circumstances because Respondent “could not have known the policies of Hagerty Insurance because he was not an employee of Hagerty Insurance.... There is no rule, statute, ruling, or otherwise obligation for Respondent (or any person) to provide the condition of the cars when obtaining a quote for insurance, applying for insurance, or obtaining insurance.” Respondent’s Brief in Response to Petition for Review of Hearing Officer’s Findings of Fact, Conclusions of Law, and Preliminary Order (“Respondent’s Brief”) at 3. Respondent requests that I find that he committed no violations and that no penalties be imposed. *Id.* at 5.

#### *Conclusions of Law*

14. I agree with the Department that the proposed suspension is an inadequate penalty.

15. The sale of insurance is a serious responsibility that requires an exceptional degree of honesty, competence, trustworthiness, and financial responsibility. “The business of insurance is one affected by the public interest, requiring that all persons be actuated by good faith, abstain from deception, and practice honesty and equity in all insurance matters. Upon the insurer, the insured, and their representatives, and all concerned in insurance transactions, rests the duty of preserving the integrity of insurance.” Idaho Code § 41-113(2).

16. Respondent was not “actuated by good faith” when he failed to inform Hagerty that the vehicles in question had been destroyed by fire. No reasonable person in Respondent’s position could have believed that the Blazer was worth \$40,000 or that

the Bel Airs were worth \$50,000, much less the \$80,000 to which Respondent asked to increase coverage.

17. In addition to the general requirement for everyone in the insurance world to act in good faith, the Idaho Code contains numerous reminders that material omissions undermine the integrity of the insurance system. For example, an insurance producer may have their license revoked for providing “misleading, incomplete, or materially untrue” information in their application for a license, or “misrepresenting any fact material to any insurance transaction or proposed transaction.” Idaho Code §§ 41-1016(1)(a), (1)(e). Furthermore, material misrepresentation and failure to disclose losses are both listed as appropriate causes for cancellation of a casualty insurance policy under Idaho Code § 41-2507.

18. The duty to disclose the status of property to be insured is necessary to obtain the appropriate coverage at the appropriate price. If an insurer is misinformed about the risk it assumes, it may harm the insured by denying the claim, or it may harm other people insured by that insurer by raising their premiums to cover the inappropriate claim. Respondent’s actions were no more appropriate than if he had helped place life insurance coverage on a person who was already deceased, or auto insurance coverage on a car that was stalled on the tracks with a freight train bearing down on it, or a homeowner’s policy on a house that was already on fire.

19. Respondent argues that because Hagerty did not reinstate the policies, no one was harmed by Respondent’s actions. But if Respondent had been forthcoming about the state of the cars, Hagerty would not have had to conduct their own investigation. That investigation benefited both Hagerty and the vehicles’ owner. If Hagerty had reinstated the policies without knowing that the vehicles had been destroyed, and if the owner had made claims under those policies, then the owner may have found himself a defendant in criminal court. *See, e.g.:*

- a. Press Release, Idaho Dep’t of Insurance, Meridian woman sentenced for “crash and buy” insurance fraud in Canyon County (May 9, 2024), <https://doi.idaho.gov/pressrelease/meridian-woman-sentenced-for-crash-and-buy-insurance-fraud-in-canyon-county/> (woman found guilty of insurance fraud for

making a claim under an auto insurance policy when the auto was damaged before the policy was in effect)

b. Press Release, Idaho Dep't of Insurance, Marsing woman sentenced for insurance fraud (Jan. 25, 2024), <https://doi.idaho.gov/pressrelease/marsing-woman-sentenced-for-insurance-fraud/> (same)

c. Press Release, Idaho Dep't of Insurance, Nampa woman found guilty of felony insurance fraud (Nov. 14, 2023), <https://doi.idaho.gov/pressrelease/nampa-woman-found-guilty-of-felony-insurance-fraud/> (same)

d. Press Release, Idaho Dep't of Insurance, McCammon man found guilty of felony insurance fraud (Nov. 1, 2023), <https://doi.idaho.gov/pressrelease/mccammon-man-found-guilty-of-felony-insurance-fraud/> (same).

20. A review of previous orders did not reveal any cases in which a producer's license was suspended for fewer than six months. Even if the proposed sanctions were consistent with previous sanctions, I believe that the gravity of Respondent's misrepresentations would not warrant a brief suspension with an automatic reinstatement.

21. I reject the Hearing Officer's proposed sanctions. I conclude that Respondent should not retain his insurance license. I have elected to order the revocation of Respondent's license effective as of the date of this order, in addition to the \$2,000 administrative penalty recommended by the Hearing Officer.

**II. Whether the hearing officer erred in finding that the Petitioner must prove that the Respondent engaged in "fraudulent practices" in violation of Idaho Code § 41-1016(1)(h) by clear and convincing evidence, rather than by preponderance of the evidence.**

*Summary of Facts*

22. The Hearing Officer concluded that Petitioner had the burden of proving fraudulent conduct in violation of Idaho Code § 41-1016(1)(h) by clear and convincing evidence, and that Petitioner did not meet this burden. Preliminary Order, Conclusions of Law, ¶¶ 34-43. I ordered review of this finding.

*Legal Standard and Argument*

23. As this is a licensing case, I am required to issue an order to resolve it. Idaho Code § 67-5201(14) (defining “order” as “an agency action of particular applicability that determines the legal rights, duties, privileges, immunities, or other legal interests of one (1) or more specific persons.”) Agency orders will withstand judicial review:

unless the court finds that the agency's findings, inferences, conclusions, or decisions are:

- (a) in violation of constitutional or statutory provisions;
- (b) in excess of the statutory authority of the agency;
- (c) made upon unlawful procedure;
- (d) not supported by substantial evidence on the record as a whole; or
- (e) arbitrary, capricious, or an abuse of discretion.

Idaho Code § 67-5279(3).

24. The Hearing Officer’s opinion that Petitioner must prove that an insurance producer used “fraudulent practices” in violation of Idaho Code § 41-1016(1)(h) is based upon IDAPA § 62.01.01.477, which states, “Absent an allegation of fraud, or a statute, rule, regulation, or binding state or federal decisional authority requiring a higher standard, a preponderance of evidence standard applies.”

25. Respondent supports the Hearing Officer’s conclusion, stating, “It is clear that the allegations charged to the defendant do involve at least one allegation of fraud. Thus, returning to the rule previously cited, a burden of proof higher than ‘a preponderance of the evidence’ must be used. Because this is not a criminal trial, it would be incorrect to use ‘beyond a reasonable doubt.’ Thus, the middle ground standard of ‘clear and convincing evidence’ would be a reasonable standard of proof.” Respondent’s Brief, at 2.

26. Petitioner argues that the standard of proof for fraudulent practices should be the preponderance of the evidence because that standard “does not change when the accusation of ‘fraud,’ a term laden with criminal implications or complicated civil law prerequisites, is levied.” Petitioner’s Brief, at 5. However, because the Hearing Officer found the Respondent’s conduct to be in violation of Idaho Code § 41-1016(1)(h)

anyway, Petitioner argues that the error was harmless.

#### *Conclusions of Law*

27. The phrasing of Idaho Code § 41-1016(1)(h) comes directly from Section 12(A)(8) of the NAIC Producer Licensing Model Act. <https://content.naic.org/sites/default/files/model-law-218.pdf>, at 9. The use of the term “fraudulent practices” in subsection (h) contrasts with the use of the term “fraud” in subsections (c) and (g). In other states that have adopted the Model Act, regulators have been required to prove “fraud” by clear and convincing evidence, but “fraudulent practices” may be proved by the preponderance of the evidence. *Compare McCarter v. Pomeroy*, 466 N.W.2d 562, 566-567 (N.D. 1991) (“By clear and convincing evidence it was shown that the Respondent acquired at least 11 different nonresident insurance licenses through misrepresentation and fraud”) with *Badolato v. Dobrek*, 2016 WL 3547741 at \* 2, 6 (N.J. App. 2016) (preponderance of the evidence sufficient to prove a violation of New Jersey’s equivalent of Idaho Code § 41-1016(1)(h)).

28. The difference between “fraud” and “fraudulent practices” is also supported by Idaho’s application of *noscitur a sociis*, which means “a word is known by the company it keeps.” *Chandler’s-Boise LLC v. Idaho State Tax Comm’n*, 162 Idaho 447, 453 (2017). “Fraudulent practices” is found alongside coercive practices, dishonest practices, demonstrating incompetence, demonstrating untrustworthiness, demonstrating financial irresponsibility, and being a source of injury and loss to the public or others. None of these other violations require an elevated standard of proof. It makes little sense to require that fraudulent practices be proven by clear and convincing evidence when any other violation of this subsection—including dishonest practices or untrustworthiness, either of which are commonly considered to be elements of fraud—can be proven by the preponderance of the evidence. *See, e.g., Glaze v. Deffenbaugh*, 144 Idaho 829, 833 (2007) (including “a statement or a representation of fact” and “its falsity” as elements of fraud).

29. For this reason, I conclude that Respondent’s actions constituted fraudulent practices in violation of Idaho Code § 41-1016(1)(h).

30. The Preliminary Order indicates that the hearing officer attempted to assess

the evidence in Count I based on the preponderance of the evidence standard. Preliminary Order, ¶ 44. However, the Department's Complaint described the actions leading to Count I as "fraudulent and dishonest practices" in the Amended Verified Complaint. Amended Verified Complaint and Notice of Right to Hearing, ¶ 11. It appears that the hearing officer actually applied the clear and convincing evidence standard on this count by raising issues of virtual private networks and speculating on various reasons why the web site access that claimed to be from Pocatello might not have been from Pocatello.

31. This is unnecessarily complicated. The evidence reflects that the only people who would have had any reason to access Hagerty's web site to get a quote on these vehicles would have been members of D.L.'s household and the Respondent. D.L.'s household was located in Bellevue. Tr. 15:20-15:25. Respondent was in Pocatello. Tr. 16:1-16:4. It is more likely than not that the computer with a Pocatello-based IP address that accessed Hagerty's site was the computer that was actually in Pocatello, not the computer that was in Bellevue. It is also more likely than not that Respondent, who contacted Hagerty via telephone to ask about reinstating coverage, was the one who contacted Hagerty via their web site.

32. Therefore, I conclude that the preponderance of the evidence shows that the Department has demonstrated that Respondent violated Idaho Code § 41-1016(1)(h) by using fraudulent and dishonest practices and demonstrating untrustworthiness by not disclosing the condition of the classic cars when obtaining a quote from Hagerty's web site.

33. I conclude that an additional administrative penalty of \$1,000 is an appropriate sanction for this violation of Idaho Code § 41-1016(1)(h).

#### **Final Order**

*Now, therefore,* based on the foregoing and in consideration of the premises,

A. *It is hereby ordered* that the Hearing Officer's Findings of Fact, Conclusions of

Law, and Preliminary Order is adopted, with the following exceptions<sup>3</sup>;

1. Paragraphs 34 through 43 of the Conclusions of Law are not adopted;
2. Paragraphs 45 through 52 of the Conclusions of Law are not adopted;
3. Paragraph 71 of the Conclusions of Law is not adopted;
4. Paragraphs 72 and 73 of the Preliminary Order are not adopted;

B. *It is further ordered* that for demonstrating incompetence, untrustworthiness, and/or financial irresponsibility in the conduct of business in violation of Idaho Code § 41-1016(1)(h); Idaho Resident Producer License No. 19173566 issued to Tanner Dean Evans is hereby *revoked* effective immediately;

C. *It is further ordered* that Tanner Dean Evans is ordered to pay an administrative penalty of three thousand dollars (\$3,000), which penalty must be paid in full before Evans requests any new license under Title 41, Idaho Code.

Dated this 20<sup>th</sup> day of August, 2025.

State of Idaho  
Department of Insurance



Dean L. Cameron  
Director

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<sup>3</sup> On two occasions, the document refers to the Respondent as “Hoover.” Preliminary Order, ¶¶ 32, 73. This is a clerical error and is amended to read “Evans.”

## **Notice of Rights**

This is a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. Idaho Code § 67-5246(4).

Pursuant to Sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
- iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days (a) of the service date of this final order, (b) of an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.


### **Notice regarding Reportable Proceedings**

The foregoing may be 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 may be reported to the National Association of Insurance Commissioners (NAIC) and may 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 20<sup>th</sup> day of August, 2025, I caused a true and correct copy of the Final Order to be served upon the following parties by the method(s) indicated below:

<p>Matt Steen Deputy Attorney General Idaho Department of Insurance 700 W State St, 3<sup>rd</sup> Flr PO Box 83720 Boise, ID 83720 <i>Counsel for Complainant</i></p>	<p><input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: matt.steen@doi.idaho.gov</p>
<p>Craig W. Parrish Parrish Law Office PO Box 4321 Pocatello, ID 83205 <i>Counsel for Respondent</i></p>	<p><input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: craigwparrish@lawyer.com</p>
<p>Stephen Adams 905 W Bannock St, Ste 950 <i>Hearing Officer</i></p>	<p><input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: sadams@gfidaholaw.com</p>

  
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