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I.S.B. No. 3873

FILED

AUG 16 2016 *KL*

**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.

CHARLES R. CLAUSEN, an individual
holding Idaho Resident Producer License
No. 64374; and CLAUSEN INSURANCE
& INVESTMENTS, INC., an Idaho
corporation holding Idaho Agency Producer
License No. 77202;

Respondents.

Docket No. 18-3134-16

**STIPULATION AND
FINAL ORDER**

STIPULATION

The Idaho Department of Insurance (hereinafter "Department") and Respondents **CHARLES R. CLAUSEN** and **CLAUSEN INSURANCE & INVESTMENTS, INC.**, hereby agree and stipulate as follows:

1. The Director of the Department has jurisdiction over this matter pursuant to Title 41, Idaho Code.

2. On May 16, 2016, the Department filed and served a Verified Complaint and Notice of Right to Hearing (hereinafter "Verified Complaint") on Respondents.

3. On May 23, 2016, Respondent Charles R. Clausen (hereinafter "Clausen"), filed a request for hearing for Respondents Clausen and Clausen Insurance & Investments, Inc. (hereinafter "Clausen Insurance").

4. The Department alleged in the Verified Complaint that Respondents violated section 41-1016(1)(h), Idaho Code, with regard to eleven (11) certain annuities; that Respondents violated section 41-1016(1)(e), Idaho Code, one (1) time with regard to misrepresentation of a material fact in an annuity application; and that Respondents violated section 41-1305, Idaho Code, one (1) time.

5. Both Respondents denied the allegations set forth in the Verified Complaint and filed a timely Request for Hearing.

6. The parties have agreed to settle this matter without the necessity of a full hearing.

7. In consideration of the foregoing recitals, the Department and Respondents agree:

a. That Clausen and Clausen Insurance each admit to one violation of section 41-1016(1)(e), Idaho Code, in the misrepresentation of the terms of an actual or proposed annuity contract;

b. That, based on the violation of section 41-1016(1)(e), Idaho Code, Clausen stipulates that his Idaho Resident Producer License No. 64374 shall be revoked and that should he ever choose to reapply in the future, he shall be barred from submitting an application to the Department of Insurance for a new license for a

period of five (5) years from the date of entry of the Final Order revoking his Idaho Resident Producer License No. 64374;

c. That the Idaho Department of Insurance shall not consider any application for a producer license from Clausen until after five (5) years following the order of revocation and until such time that the total administrative penalty imposed herein including the amount suspended, has been paid in full;

d. That, based on the violation of section 41-1016(1)(c), Idaho Code, Clausen Insurance stipulates that its Idaho Agency Producer License No. 77202 shall be revoked and that should it ever choose to reapply in the future, it shall be barred from submitting an application to the Department of Insurance for a new license for a period of five (5) years from the date of entry of the Final Order revoking its Idaho Agency Producer License No. 77202;

e. That the Idaho Department of Insurance shall not consider any application for an agency producer license from Clausen Insurance until after five (5) years following the order of revocation and until such time that the total administrative penalty imposed herein including the amount suspended, has been paid in full;

f. That an administrative penalty in the total amount of Ten Thousand Dollars (\$10,000.00) shall be entered jointly and severally against Clausen and Clausen Insurance;

g. The total amount of the administrative penalty shall be suspended except for the sum of One Thousand Dollars (\$1,000.00) which sum shall be due and payable immediately upon entry of the Final Order;

h. That the form and content of the Final Order as attached hereto is appropriate; and that the Director of the Department may enter the Final Order, the terms of which include the adoption in full and incorporation of the foregoing Stipulation.

8. The terms of this Stipulation are appropriate and proper under the circumstances referenced herein; and the parties hereto have entered into this Stipulation knowingly, voluntarily, and with full knowledge of any rights they may be waiving thereby.

9. Before executing this Stipulation, Respondents have had the opportunity to review this Stipulation with their respective attorney(s) and to seek appropriate advice and counsel relating to this Stipulation and Final Order.

10. The parties hereto waive their right to notice and hearing at which they 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 41 and title 67, chapter 52, Idaho Code, including the right to submit this matter for review by a court of competent jurisdiction.

11. The parties hereto have reviewed the proposed Final Order and agree as to its form and that said Final Order may be submitted to the Director of the Department for his review and signature.

IT IS SO AGREED.

DATED THIS 8th day of August, 2016.

RESPONDENT

By: Charles R. Clausen
CHARLES R. CLAUSEN
Respondent

STATE OF IDAHO)
 : ss.
County of Ada)

On this 8th day of August, 2016, before me, the undersigned Notary Public, personally appeared CHARLES R. CLAUSEN, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Margie Rich
Notary Public
Residing at Boise Idaho
My commission expires 7/23/22

IT IS SO AGREED.

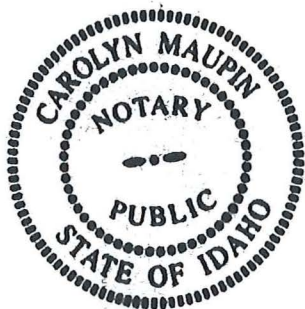
DATED this 28 day of July, 2016

CLAUSEN INSURANCE & INVESTMENTS,
INC., an Idaho corporation

by Charles R. Clausen
CHARLES R. CLAUSEN
Its President

STATE OF IDAHO)
 : ss.
County of Ada)

On this 28th day of July, 2016, before me, the undersigned Notary Public of the State of Idaho, personally appeared Charles R. Clausen, who, being by me first duly sworn, declared that he is president of CLAUSEN INSURANCE & INVESTMENTS, INC., an Idaho corporation, that he signed the foregoing document as president of the corporation, and that the statements therein contained are true.



Carolyn Maupin
Notary Public
Residing at Boise, Idaho
My commission expires 6/23/21

IT IS SO AGREED.

DATED THIS 11 day of August, 2016.

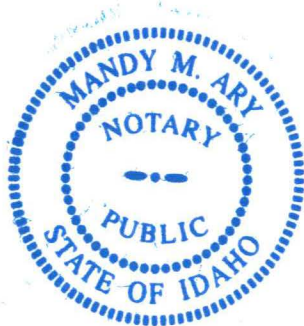
STATE OF IDAHO
DEPARTMENT OF INSURANCE

By: Elaine Mellon
ELAINE MELLON
Bureau Chief, Consumer Services Bureau

STATE OF IDAHO)
 : ss.
County of Ada)

On this 11th day of August, 2016, before me, the undersigned Notary Public, personally appeared ELAINE MELLON, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Mandy M. Ary
Notary Public of Idaho
Residing at Boise, Idaho
My commission expires 7/24/2018

FINAL ORDER

The parties hereto, namely the Idaho Department of Insurance and CHARLES R. CLAUSEN, Respondent, and CLAUSEN INSURANCE & INVESTMENTS, INC., Respondent, 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 finds and concludes that CHARLES R. CLAUSEN, Respondent, and CLAUSEN INSURANCE & INVESTMENTS, INC, Respondent, 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, is adopted in full, and is incorporated herein as if set forth in full and made a part hereof;

IT IS FURTHER ORDERED that an administrative penalty in the total sum of TEN THOUSAND DOLLARS (\$10,000) is hereby imposed jointly and severally against CHARLES R. CLAUSEN and CLAUSEN INSURANCE & INVESTMENTS, INC., with all of said administrative penalty SUSPENDED except for the sum of ONE THOUSAND DOLLARS (\$1,000.00) which is due and payable immediately upon entry of this Final Order.

IT IS FURTHER ORDERED that Idaho Resident Producer License No. 64374 issued to CHARLES R. CLAUSEN shall be revoked;

IT IS FURTHER ORDERED that CHARLES R. CLAUSEN shall not submit an application for an Idaho resident producer license, nor shall the Department consider such an application from CHARLES R. CLAUSEN for a period of five (5) years after entry of this Final Order, and the total sum of the administrative penalty imposed herein, including the suspended sum of Nine Thousand Dollars (\$9,000.00), has been paid in full;

IT IS FURTHER ORDERED that in the event CHARLES R. CLAUSEN files an application for a license under title 41, Idaho Code, CHARLES R. CLAUSEN shall show good cause why the prior revocation shall not be deemed a bar to the issuance of a new license;

IT IS FURTHER ORDERED that Idaho Agency Producer License No. 77202 issued to CLAUSEN INSURANCE & INVESTMENTS, INC., shall be revoked;

IT IS FURTHER ORDERED that CLAUSEN INSURANCE & INVESTMENTS, INC. shall not submit an application for an Idaho agency producer license, nor shall the Department consider such an application from CLAUSEN INSURANCE & INVESTMENTS, INC. for a period of five (5) years after entry of this Final Order, and the total sum of the administrative penalty imposed herein, including the suspended sum of Nine Thousand Dollars (\$9,000.00), has been paid in full;

IT IS FURTHER ORDERED that in the event CLAUSEN INSURANCE & INVESTMENTS, INC. files an application for a license under title 41, Idaho Code, it shall show good cause why the prior revocation shall not be deemed a bar to the issuance of a new license;

IT IS SO ORDERED.

DATED THIS 16 day of August, 2016.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

By 
DEAN CAMERON
Director

NOTIFICATION REGARDING REPORTABLE PROCEEDINGS

This 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 of which you are actively appointed. This information will be reported to the National Association of Insurance Commissioners (NAIC) and will appear in the Idaho Department of Insurance's online searchable database. Be aware that this proceeding must be disclosed on any 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 16 day of August, 2016, I caused to be served a true copy of the foregoing **STIPULATION AND FINAL ORDER** by the method indicated below, and addressed to each of the following:

Charles R. Clausen
14025 Elmsprings
Boise, ID 83713

☒ first class mail
☐ certified mail
☐ hand delivery

Clausen Insurance & Investments, Inc.
14025 Elmsprings
Boise, ID 83713

☒ first class mail
☐ certified mail
☐ hand delivery

American Equity Investment Life Insurance Co.
6000 Westown Parkway
West Des Moines, IA 50266-5921

☒ first class mail
☐ certified mail
☐ hand delivery

American National Insurance Company
One Moody Plaza
Galveston, TX 77550

☒ first class mail
☐ certified mail
☐ hand delivery

AXA Equitable Life Insurance Company
1290 Avenue of the Americas
New York, NY 10104

☒ first class mail
☐ certified mail
☐ hand delivery

Banner Life Insurance Company
3275 Bennett Creek Avenue
Frederick, MD 21704-7608

☒ first class mail
☐ certified mail
☐ hand delivery

Continental Casualty Company
333 S. Wabash Avenue
Chicago, IL 60604

☒ first class mail
☐ certified mail
☐ hand delivery

Dearborn National Life Insurance Company
701 E. 22nd Street
Lombard, IL 60148

☒ first class mail
☐ certified mail
☐ hand delivery

Equitrust Life Insurance Company
7100 Westown Parkway, Ste. 200
West Des Moines, IA 50266-2521

☒ first class mail
☐ certified mail
☐ hand delivery

Fidelity & Guaranty Life Insurance Company
1001 Fleet Street
Baltimore, MD 21201

☒ first class mail
☐ certified mail
☐ hand delivery

Forethought Life Insurance Company
300 North American Street, Suite 1800
Indianapolis, IN 46204

☒ first class mail
☐ certified mail
☐ hand delivery

Genworth Life and Annuity Insurance Company
6610 West Broad Street
Richmond, VA 23230

☒ first class mail
☐ certified mail
☐ hand delivery

Genworth Life Insurance Company
6604 West Broad Street
Richmond, VA 23230

☒ first class mail
☐ certified mail
☐ hand delivery

Integrity Life Insurance Company
400 Broadway
Cincinnati, OH 45202

☒ first class mail
☐ certified mail
☐ hand delivery

Lafayette Life Insurance Company
400 Broadway
Cincinnati, OH 45202

☒ first class mail
☐ certified mail
☐ hand delivery

Lincoln National Life Insurance Company
1300 South Clinton Street
Fort Wayne, IN 46802

☒ first class mail
☐ certified mail
☐ hand delivery

Loyal American Life Insurance Company
11200 Lakeline Blvd., Suite 100
Austin, TX 78717

☒ first class mail
☐ certified mail
☐ hand delivery

MONY Life Insurance Company of America
1290 Avenue of the Americas
New York, NY 10104

☒ first class mail
☐ certified mail
☐ hand delivery

New York Life Insurance and Annuity Corp.
51 Madison Avenue
New York, NY 10010

☒ first class mail
☐ certified mail
☐ hand delivery

North American Co. for Life and Health Insurance
One Sammons Plaza
Sioux Falls, SD 57193

☒ first class mail
☐ certified mail
☐ hand delivery

Ohio National Life Insurance Company
One Financial Way
Cincinnati, OH 45242

☒ first class mail
☐ certified mail
☐ hand delivery

Pacific Life Insurance Company
700 Newport Center Drive
Newport Beach, CA 92660

☒ first class mail
☐ certified mail
☐ hand delivery

Pruco Life Insurance Company
100 Mulberry Street
Gateway Center Three, 10th Floor
Newark, NJ 07102-4056

☒ first class mail
☐ certified mail
☐ hand delivery

Prudential Annuities Life Assurance Corporation
100 Mulberry Street
Gateway Center Three, 10th Floor
Newark, NJ 07102-4056

☒ first class mail
☐ certified mail
☐ hand delivery

Prudential Insurance Company of America
100 Mulberry Street
Gateway Center Three, 10th Floor
Newark, NJ 07102-4056

☒ first class mail
☐ certified mail
☐ hand delivery

Sagicor Life Insurance Company
4343 North Scottsdale Road, Suite 300
Scottsdale, AZ 85251-3347

☒ first class mail
☐ certified mail
☐ hand delivery

Security Benefit Life Insurance Company
One Security Benefit Place
Topeka, KS 66636-0001

☒ first class mail
☐ certified mail
☐ hand delivery

Sentinel Security Life Insurance Company
1405 West 2200 South
Salt Lake City, UT 84119

☒ first class mail
☐ certified mail
☐ hand delivery

United Home Life Insurance Company
225 South East Street
Indianapolis, IN 46202

☒ first class mail
☐ certified mail
☐ hand delivery

Delaware Life Insurance Company
1601 Trapelo Road, Ste. 30
Waltham, MA 02451-7360

☒ first class mail
☐ certified mail
☐ hand delivery

John Hancock Life Insurance Company USA
601 Congress Street
Boston, MA 02210


☒ first class mail
☐ certified mail
☐ hand delivery

Transamerica Premier Life Insurance Company
4333 Edgewood Road NE
Cedar Rapids, IA 52499

☒ first class mail
☐ certified mail
☐ hand delivery

John C. Keenan
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

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



Kelly Grady