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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.

JULIE BURTON, an individual holding
inactive Idaho Resident Producer License No.
117376;

Respondent.

Docket No. 18-3361-17

**STIPULATION AND
FINAL ORDER**

COME NOW the staff of the Idaho Department of Insurance (Department) and JULIE BURTON (hereinafter "BURTON"), resident producer under title 41 of the Idaho Code, holding Resident Producer License No. 117376, and do hereby agree and stipulate as follows:

FINDINGS OF FACT

1. Since its original issuance date of November 5, 2004, BURTON was and continues to be a licensed insurance producer in the state of Idaho, holding Residence Producer License No.

117376. BURTON 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 Idaho Department of Insurance (the “Director”) has jurisdiction over BURTON 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. Subsequent to becoming a resident licensed producer in the state of Idaho, BURTON was appointed as a producer by several insurers, that include but are not limited to the following: Bristol West Insurance Company, appointed November 27, 2007; Farmers Insurance Company of Idaho, appointed November 10, 2004; Farmers Insurance Exchange, appointed November 10, 2004; Farmers New World Life Insurance Company, appointed November 10, 2004; Foremost Insurance Company Grand Rapids, Michigan, appointed January 11, 2005; Mid-Century Insurance Company, appointed November 10, 2004; and Truck Insurance Exchange, appointed November 10, 2004 (collectively “Farmers Insurance Group”). All of the foregoing appointments were terminated by the respective insurer on July 22, 2016.

4. By letter dated August 17, 2016, Farmers Insurance Group notified the Department of Insurance that BURTON’s appointments were terminated for cause by Farmers Insurance Group.

5. In September of 2013, BURTON hired an employee as a customer service representative, namely Shelley Riggs (hereinafter “Riggs”), whose employment with BURTON continued through approximately August of 2016.

6. On December 8, 2017, the Department filed a Verified Complaint and Notice of Right to Hearing (hereinafter “Verified Complaint”), seeking revocation of BURTON’s producer license and imposition of administrative penalties.

7. Among the allegations in the Verified Complaint was that BURTON, personally or by instruction to Riggs, her employee, created and submitted to Farmers Insurance Group thirty-seven (37) prior coverage documents, known as Letters of Experience, and thirty-one (31) diplomas containing falsified information in order to secure reduced premium rates for BURTON's customers. The Department alleged that, of these falsified documents, nine (9) Letters of Experience and two (2) diplomas were created and submitted to Farmers Insurance Group prior to Riggs' employment with BURTON, and therefore could not have been created or submitted by Riggs.

CONCLUSIONS OF LAW

8. 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.

9. 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."

10. By creating and submitting falsified Letters of Experience and falsified diplomas to Farmers Insurance Group, BURTON violated Idaho Code § 41-1016(1)(e) by misrepresenting the terms of an actual or proposed insurance contract or application for insurance or misrepresenting a fact material to an insurance transaction.

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

12. 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

13. Based upon the foregoing, BURTON and the Department stipulate and agree as follows:

- a. BURTON admits to ten (10) separate violations of Idaho Code § 41-1016(1)(e) by creating and submitting falsified documents to Farmers Insurance Group as described above, which acts constitute the misrepresentation of the terms of an actual or proposed insurance contract or application for insurance or of any fact material to an insurance transaction.
- b. As sanction for the violations referenced above, BURTON 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 BURTON's Idaho Resident Producer License No. 117376 shall be PERMANENTLY REVOKED and that BURTON shall not submit, nor shall the Department consider, any future application by BURTON for issuance or reinstatement of an Idaho producer license;
 - iii. That an administrative penalty shall be imposed against BURTON in the amount of Ten Thousand Dollars (\$10,000);
 - iv. That all of the administrative penalty except for One Thousand Dollars (\$1,000) shall be suspended;

- v. That the total sum not suspended in the amount of One Thousand Dollars (\$1,000) shall be due and payable within thirty (30) days from the date of entry of the Final Order herein;
 - vi. That, in the event BURTON submits to the Department an application for any type of Idaho license as authorized under Title 41, Idaho Code, to the Idaho Department of Insurance, the total suspended amount of Nine Thousand Dollars (\$9,000) shall be immediately due and payable; and,
 - vii. Before the Department shall consider any such application from BURTON, the balance of the administrative penalty in the amount of Nine Thousand Dollars (\$9,000) shall be paid in full.
- c. Notwithstanding BURTON's agreement that she shall not submit any future application to the Department for issuance or reinstatement of a producer license, BURTON further expressly agrees that, in the event she submits an application for any Idaho license provided for and authorized under Title 41, Idaho Code, to the Idaho Department of Insurance, the Department may consider the facts and allegations in the Verified Complaint in Docket No. 18-3361-17 as true for the limited purpose of evaluating BURTON's character and fitness for licensure.

14. By entering into this Stipulation, BURTON knowingly and voluntarily waives any rights she would otherwise have to notice and a hearing at which she 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.

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

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

17. BURTON 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 BURTON holds a license.

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

19. 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 in Paragraph 18, above, the Department shall seek no further civil or administrative sanctions for the violations alleged in the Verified Complaint, Docket No. 18-3361-17, subject to the agreement set forth in Paragraph 13(c) above.

20. This Stipulation and the Final Order entered herein, including any findings of fact and conclusions of law inclusive therein, and the admissions of BURTON as stated herein, shall not be used in any criminal proceeding.

21. BURTON 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.

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

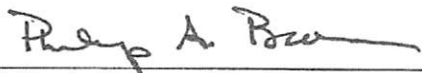
23. Upon the Director's entry of the Final Order approving this stipulation, this Stipulation and Final Order shall be a public record under the Idaho Public Records Act.

AGREED this 18 day of July, 2018.

By: 
JULIE BURTON

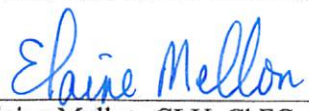
Approved as to Form:

BROWN LAW OFFICES, PLLC

By: 
Philip A. Brown, of the Firm
Attorney for the Respondent

AGREED this 20 day of July, 2018.

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: 

John C. Keenan
Deputy Attorney General
Attorney for the Department of Insurance

FINAL ORDER

The parties hereto, namely the Idaho Department of Insurance and JULIE BURTON, 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 JULIE BURTON 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. 117376 issued to JULIE BURTON is hereby PERMANENTLY REVOKED, and that BURTON shall not submit, nor shall the Department consider, any future application by BURTON for issuance or reinstatement of an Idaho producer license;

IT IS FURTHER ORDERED that an administrative penalty in the amount of Ten Thousand Dollars (\$10,000) is hereby imposed on JULIE BURTON;

IT IS FURTHER ORDERED that Nine Thousand Dollars (\$9,000) of said administrative penalty is suspended;

IT IS FURTHER ORDERED that the total sum of One Thousand Dollars (\$1,000) of said administrative penalty is due and payable within thirty (30) days from the execution of this Final Order;

IT IS FURTHER ORDERED that in the event, JULIE BURTON submits an application for any Idaho license as authorized under Title 41, Idaho Code, to the Idaho Department of

Insurance, the suspended sum of Nine Thousand Dollars (\$9,000) shall be immediately due and payable; and,

IT IS FURTHER ORDERED that the Idaho Department of Insurance shall not consider any application from JULIE BURTON 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 23 day of July, 2018.

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 24th day of July, 2018, 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:

Philip A. Brown
Brown Law Office, PLLC
130 Fourth Avenue West
Gooding, ID 83330

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

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

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

Columbian Mutual Life Insurance Company
4704 Vestal Parkway East
P.O. Box 1381
Binghamton, NY 13902-1381

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

Equitable Life & Casualty Insurance Company
3 Triad Center
Salt Lake City, UT 84180-1200

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

Order of United Commercial Travelers of America
1801 Watermark Drive, Ste. 100
Columbus, OH 43215-7088

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

Western Surety Company
151 N. Franklin Street
Chicago, IL 60606-1821

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

Willamette Dental of Idaho, Inc.
6950 NE Campus Way
Hillsboro, OR 97124-5611

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

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



Pamela Murray