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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.

STACIA ANN ROYSTER, an individual
holding Idaho Resident Producer License No.
135592, and ROYSTER INSURANCE LLC,
an Idaho limited liability company holding
Resident Producer Agency License No.
543941,

Respondent.

Docket No. 18-3624-19

**STIPULATION AND
FINAL ORDER**

COME NOW the staff of the Idaho Department of Insurance (“Department”), STACIA ANN ROYSTER (“ROYSTER”), resident producer under title 41 of the Idaho Code, holding Resident Producer License No. 135592, and ROYSTER INSURANCE LLC (hereinafter “ROYSTER INSURANCE”), resident producer agency under title 41 of the Idaho Code, holding Resident Producer Agency License No. 543941, and do hereby agree and stipulate as follows:

FINDINGS OF FACT

1. ROYSTER is a licensed insurance producer in the state of Idaho, holding Resident Producer License No. 135592. ROYSTER is subject to the provisions of title 41, Idaho Code, and to the rules of the Idaho Department of Insurance promulgated thereunder.

2. ROYSTER INSURANCE is an Idaho limited liability corporation that holds Idaho Resident Producer Agency License No. 543941. During all relevant times as alleged herein, ROYSTER was and is the sole manager of ROYSTER INSURANCE, as well as its designated responsible licensed producer pursuant to Idaho Code § 41-1007(2)(b). ROYSTER INSURANCE is subject to the provisions of title 41, Idaho Code, and to the rules of the Idaho Department of Insurance promulgated thereunder.

3. The Director of the Idaho Department of Insurance (the “Director”) has jurisdiction over ROYSTER, ROYSTER INSURANCE, 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.*

4. Subsequent to becoming a licensed resident producer in the state of Idaho, ROYSTER was appointed as a producer by several insurers, that include but are not limited to Blue Cross of Idaho and SelectHealth.

5. On March 21, 2019, the Department filed a Verified Complaint and Notice of Right to Hearing (hereinafter “Verified Complaint”), seeking revocation of ROYSTER’s producer license, revocation of ROYSTER INSURANCE’s producer agency license, and imposition of administrative penalties.

6. Among the allegations in the Verified Complaint was that ROYSTER submitted an application for insurance to Blue Cross of Idaho when she knew or should have known that the

applicant incorrectly represented that the applicant was a resident of Idaho, and that ROYSTER allowed an unlicensed individual to submit an application for insurance to SelectHealth under ROYSTER's signature without reviewing the final application or retaining records of the transaction.

CONCLUSIONS OF LAW

7. 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.

8. Idaho Code § 41-1036 requires producers to retain complete records of transactions placed through or countersigned by them and to make such records available for inspection by the Department for a minimum of five (5) years.

9. 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."

10. Idaho Code § 41-1007(2)(b) requires that any business entity acting as an insurance producer have a designated licensed producer, who is an individual responsible for the business entity's compliance with the insurance laws and rules of Idaho.

11. By failing to maintain records of certain insurance transactions placed through her, ROYSTER violated Idaho Code § 41-1036.

12. By allowing an unlicensed individual to complete and submit applications for insurance to SelectHealth under ROYSTER's signature without reviewing the final applications, ROYSTER violated Idaho Code § 41-1016(1)(h) by demonstrating incompetence,

untrustworthiness, or being a source of injury and loss to the public or others in the conduct of business in Idaho.

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

14. 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

15. Based upon the foregoing, ROYSTER, ROYSTER INSURANCE, and the Department stipulate and agree as follows:

- a. ROYSTER admits to one violation of Idaho Code § 41-1016(1)(h) by allowing applications to be submitted as described in paragraph 6 above, which acts constitute incompetence, untrustworthiness, or being a source of injury and loss to the public or others in the conduct of business in Idaho.
- b. ROYSTER admits to one violation of Idaho Code § 41-1036 by failing to maintain records of insurance transactions placed through her.
- c. As sanction for the violations referenced above, ROYSTER, ROYSTER INSURANCE, 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 ROYSTER's Idaho Resident Producer License No. 135592 shall be REVOKED and that ROYSTER shall not submit, nor shall

the Department consider, any application by ROYSTER for issuance or reinstatement of an Idaho producer license for a period of one (1) year from the issuance of the Final Order;

- iii. That during the period of ROYSTER's revocation, ROYSTER INSURANCE's Idaho Resident Producer Agency License No. 543941 shall also be revoked;
- iv. That an administrative penalty shall be imposed against ROYSTER in the amount of Seven Thousand Dollars (\$7,000);
- v. That before the Department shall reinstate the license of ROYSTER or ROYSTER INSURANCE, the administrative penalty in the amount of Seven Thousand Dollars (\$7,000) shall be paid in full.

16. By entering into this Stipulation, ROYSTER and ROYSTER INSURANCE knowingly and voluntarily waive any rights they would otherwise have to notice and a 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 67, chapter 52, Idaho Code, including the right to submit this matter for review by a court of competent jurisdiction.

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

18. ROYSTER and ROYSTER INSURANCE acknowledge that they have read this Stipulation and Final Order and understand its contents; that they have been given the opportunity to discuss this Stipulation and Final Order with independent legal counsel of their choosing; and

that they have entered into this Stipulation knowingly, voluntarily, and with full knowledge of any rights they may be waiving thereby.

19. ROYSTER and ROYSTER INSURANCE acknowledge 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 ROYSTER and ROYSTER INSURANCE hold licenses.

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


21. 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. 18-3624-19, subject to the agreement set forth in Paragraph 15 above.

22. ROYSTER and ROYSTER INSURANCE agree 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.

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

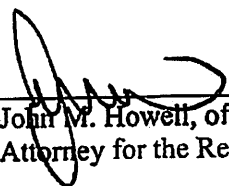
24. Upon the Director's entry of the Final Order approving this stipulation, this Stipulation and Final Order shall be a public record under the Idaho Public Records Act.

AGREED this 7 day of August, 2019.

By: 
STACIA ANN ROYSTER
In her personal capacity, and in her capacity as responsible
producer of ROYSTER INSURANCE, LLC

Approved as to Form:

POWERS FARLEY, PC

By: 
John M. Howell, of the Firm
Attorney for the Respondent

AGREED this 8 day of August, 2019.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

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

Approved as to Form:

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL

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

FINAL ORDER

The parties hereto, namely the Idaho Department of Insurance, STACIA ANN ROYSTER, and ROYSTER INSURANCE LLC, 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 STACIA ANN ROYSTER and ROYSTER INSURANCE LLC, 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. 135592 issued to STACIA ANN ROYSTER is hereby REVOKED, and that ROYSTER shall not submit, nor shall the Department consider, any application by ROYSTER for issuance or reinstatement of an Idaho producer license for a period of one (1) year from the issuance of this Final Order;

IT IS FURTHER ORDERED that Idaho Resident Insurance Producer Agency License No. 543941 issued to ROYSTER INSURANCE LLC, is hereby REVOKED for the duration of STACIA ANN ROYSTER's revocation;

IT IS FURTHER ORDERED that an administrative penalty in the amount of Seven Thousand Dollars (\$7,000) is hereby imposed on STACIA ANN ROYSTER; and

IT IS FURTHER ORDERED that the Idaho Department of Insurance shall not reinstate the aforementioned licenses for STACIA ANN ROYSTER or ROYSTER INSURANCE LLC, until such time that the total administrative penalty has been paid in full.

DATED this 7 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 9th 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:

John M. Howell
Powers Farley, PC
702 W Idaho St, Ste 700
Boise, ID 83702

☒ first class mail
☐ certified mail
☐ hand delivery

Michael Witry
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

David E. Wynkoop
SHERER & WYNKOOP, LLP
P.O. Box 31
Meridian, ID 83680

☒ first class mail
☐ certified mail
☐ hand delivery

Aetna Health and Life Insurance Company
151 Farmington Avenue
Hartford, CT 06156

☒ first class mail
☐ certified mail
☐ hand delivery

Aetna Health of Utah, Inc.
10150 S Centennial Pkwy, Ste 450
Sandy, UT 84070-4166

☒ first class mail
☐ certified mail
☐ hand delivery

Aetna Life Insurance Company
151 Farmington Avenue
Hartford, CT 06156

☒ first class mail
☐ certified mail
☐ hand delivery

American General Life Insurance Company
2727-A Allen Parkway
Houston, TX 77019

☒ first class mail
☐ certified mail
☐ hand delivery

Arcadian Health Plan, Inc.
PO Box 740036
Louisville, KY 40201-7436

☒ first class mail
☐ certified mail
☐ hand delivery

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

☒ first class mail
☐ certified mail
☐ hand delivery

Brighthouse Life Insurance Company
12802 Tampa Oaks Blvd, Ste 447
Temple Terrace, FL 33637-1912

☒ first class mail
☐ certified mail
☐ hand delivery

Continental Life Ins. Co. of Brentwood, Tenn.
800 Crescent Centre Dr., Ste 200
Franklin, TN 37067-7285

☒ first class mail
☐ certified mail
☐ hand delivery

Coventry Health and Life Insurance Company
6705 Rockledge Dr., Ste. 900
Bethesda, MD 20817-7828

☒ first class mail
☐ certified mail
☐ hand delivery

Delta Dental Plan of Idaho, Inc.
PO Box 2870
Boise, ID 83701-2870

☒ 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

Humana Insurance Company
1100 Employers Boulevard
Depere, WI 54115

☒ first class mail
☐ certified mail
☐ hand delivery

Humanadental Insurance Company
1100 Employers Boulevard
Depere, WI 54115

☒ first class mail
☐ certified mail
☐ hand delivery

Molina Healthcare of Utah, Inc.
200 Oceangate, Ste. 100
Long Beach, CA 90802-4317

☒ first class mail
☐ certified mail
☐ hand delivery

Montana Health Cooperative
PO Box 5358
Helena, MT 59604-5358

☒ first class mail
☐ certified mail
☐ hand delivery

Nationwide Life and Annuity Insurance Company
One West Nationwide Blvd.
Columbus, OH 43215-2220

☒ first class mail
☐ certified mail
☐ hand delivery

Pacificsource Community Health Plans
PO Box 7068
Springfield, OR 97475-0068

☒ first class mail
☐ certified mail
☐ hand delivery

Pacificsource Health Plans
PO Box 7068
Springfield, OR 97475-0068

☒ first class mail
☐ certified mail
☐ hand delivery

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

☒ 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

Standard Insurance Company
1100 Southwest Sixth Avenue
Portland, OR 97204-1093

☒ first class mail
☐ certified mail
☐ hand delivery

Symphonix Health Insurance, Inc.
1600 McConnor Pkwy
Schaumburg, IL 60173

☒ first class mail
☐ certified mail
☐ hand delivery

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

☒ 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

United American Insurance Company
3700 S Stonebridge Dr
McKinney, TX 75070-5934

☒ first class mail
☐ certified mail
☐ hand delivery

UnitedHealthcare Insurance Company
185 Asylum Street
Hartford, CT 06103

☒ first class mail
☐ certified mail
☐ hand delivery

UnitedHealthcare of Utah, Inc.
9700 Health Care Ln
Minnetonka, MN 55343-4522

☒ first class mail
☐ certified mail
☐ hand delivery

Wellcare Prescription Insurance, Inc.
8735 Henderson Road
Tampa, FL 33634

☒ first class mail
☐ certified mail
☐ hand delivery

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

☒ first class mail
☐ certified mail
☐ hand delivery

Joski Insurance Inc.
65 N. Plummer Road
Star, ID 83669-5561

☒ first class mail
☐ certified mail
☐ hand delivery


Pamela Murray