

LAWRENCE G. WASDEN
Attorney General

JOHN C. KEENAN
Deputy Attorney General
Idaho Department of Insurance
700 W. State St.
PO Box 83720
Boise, Idaho 83720-0043
Telephone No. (208) 334-4283
Fax: (208) 334-4298
I.S.B. No. 3873

FILED

FEB 10 2010

Department of Insurance
State of Idaho

Attorneys for Idaho Department of Insurance

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

In the Matter of:)	Docket No. 18-2585-10
)	
WESTERN UNITED INSURANCE)	STIPULATION TO
COMPANY)	SETTLE AND ENTRY
Foreign Certificate of Authority)	OF FULL AND FINAL
No. 3407,)	ORDER
Respondent.)	
_____)	

The Idaho Department of Insurance, the Idaho Transportation Department, Western United Insurance Company, and their respective counsel do hereby enter into this Stipulation to settle the above entitled matter and for entry of a Final Order in accordance with this Stipulation as follows:

1. That the Director of the Idaho Department of Insurance [hereinafter the "Department"] has jurisdiction over this matter in accord with Title 41, Idaho Code.

2. That Western United Insurance Company [hereinafter the "Company"] is a foreign insurance company and is engaged in the insurance business in Idaho under Certificate of Authority No. 3407.
3. That on two occasions, the Company issued two insurance contract forms without first filing said forms with the Idaho Department of Insurance in accordance with Idaho Code § 41-1812(1).
4. That the Company admits it thereby violated Idaho Code § 41-1812 on two occasions.
5. That the parties hereto stipulate to a penalty therefor of \$5,000.00 per violation.
6. That the Company had sold and issued to 199 policyholders the above-noted forms that were not in compliance with Idaho Code and not previously filed with the Department as required by Idaho Code § 41-1812.
7. That the Company admits to the above-noted violations of Idaho Code § 41-1812(2).
8. That the parties hereto stipulate to a penalty therefor of \$2,000.00.
9. That with regard to 228 Idaho policies, the Company failed to give a standard statement regarding uninsured and underinsured motorist coverage as approved by the Director of the Idaho Department of Insurance on new, renewal, or replacement policies after January 1, 2009 as required by Idaho Code § 41-2502(3).
10. That the Company admits to the above-noted violations of Idaho Code § 41-2502(3).
11. That the parties hereto stipulate to a penalty therefor of \$3,000.00.
12. That, as a result of the Department's investigation, the Department concluded that the Company had issued 5,016 Idaho policies to policyholders that contained language that was in violation of Idaho Code § 49-1212(12) regarding reduction of coverage for family or household members above mandated minimum limits.

13. That the Company admits to being in violation of Idaho Code § 49-1212(12) with respect to the described policy language, but denies that it adjusted, paid or denied any claim based on such language, having instructed its personnel to adjust claims as if such language was not included in the policy.
14. That the parties stipulate that the Idaho Transportation Department has jurisdiction over this matter in accordance with Title 49, Idaho Code, jointly with the Department of Insurance in accordance with Title 41, Idaho Code, specifically Idaho Code § 41-1812(2), which requires that insurers submit policies, forms, endorsements, or riders in use to the Department together with a certification that each such instrument in use complies with Idaho law.
15. That the Idaho Transportation Department is a party to this stipulation relating to its jurisdiction and interest.
16. That the Idaho Transportation Department stipulates that the applicable penalties for violations of Section 49-1212(12) shall be inclusive of penalties imposed hereinabove and no additional penalties shall be imposed for said violations by the Department.
17. That the Company acknowledges receipt of the notification of its rights and responsibilities hereto, and waives any right to file a motion for reconsideration, or any other appeal, whether to the Director of the Idaho Department of Insurance, the Director of the Idaho Transportation Department, or to the District Court of the State of Idaho of competent jurisdiction as provided by Titles 41, 49, and 67, Idaho Code, or any other review as provided by law, and that this Stipulation provides for a full

and final release of all claims and defenses against and on behalf of all parties in the above-entitled matter.

18. That the parties hereto agree that an appropriate order by the Director of the Idaho Department of Insurance may be entered herein confirming this Stipulation between the parties and shall be considered a full and Final order regarding the above-entitled matter.

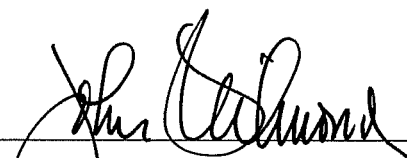
19. That the parties agree that the Final Order binds all the parties to this Stipulation and the parties have agreed to the form of the Final Order as provided and agree to its entry herein by the Director of the Idaho Department of Insurance.

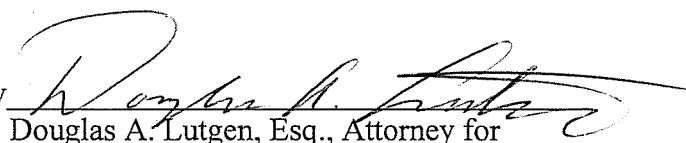
20. That upon entry of the Final Order herein and payment in full of the penalties as stated therein, the parties acknowledge that the matter that gives rise to the cause(s) as stated herein is fully and finally settled between the parties hereto.

21. IT IS SO AGREED.

DATED this 20th day of January 2010.

WESTERN UNITED INSURANCE COMPANY

By 
Its Vice President, Legal + Regulatory Affairs

By 
Douglas A. Lutgen, Esq., Attorney for
Western United Insurance Company

DATED this 21 day of January 2010.

IDAHO TRANSPORTATION DEPARTMENT

By Amy Smith
Amy Smith, Vehicle Services Manager

OFFICE OF THE ATTORNEY GENERAL

By [Signature]
Timothy Thomas, Deputy Attorney General,
for the Idaho Transportation Department

DATED this 4th day of February 2010.

IDAHO DEPARTMENT OF INSURANCE

By Georgia Siehl
Georgia Siehl
Bureau Chief
Company Activities

OFFICE OF THE ATTORNEY GENERAL

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

LAWRENCE G. WASDEN
Attorney General

JOHN C. KEENAN
Deputy Attorney General
Idaho Department of Insurance
700 W. State St.
PO Box 83720
Boise, Idaho 83720-0043
Telephone No. (208) 334-4283
Fax: (208) 334-4298
I.S.B. No. 3873

[Handwritten signature]
FILED
FEB 10 2010
Department of Insurance
State of Idaho

Attorneys for Idaho Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:)	Docket No. 18-2585-10
)	
WESTERN UNITED INSURANCE)	FINAL ORDER AND DISMISSAL
COMPANY)	WITH PREJUDICE
Foreign Certificate of Authority)	
No. 3407,)	
Respondent.)	
_____)	

The parties hereto, Western United Insurance Company, The Idaho Department of Insurance, and The Idaho Transportation Department, and respective counsel having entered into a stipulation to settle and to make a final disposition of the above-entitled matter, and Director having made a thorough review of the record and stipulation herein and in consideration of the premises;

The Director of the Idaho Department of Insurance finds and concludes that:

1. The stipulated facts and violations of Idaho law as stated in the Stipulation made a part of the record herein, is confirmed and adopted by the Director as his own findings and conclusions of law and the same are incorporated herein as if set forth in full.

THEREFORE, based on the foregoing,

IT IS HEREBY ORDERED that **WESTERN UNITED INSURANCE COMPANY** shall pay an administrative penalty in the amount of **Fifteen Thousand Dollars (\$15,000.00)**; and upon receipt thereof in full the above-entitled action shall be **DISMISSED WITH PREJUDICE**.

IT IS SO ORDERED.

DATED this 10TH day FEBRUARY, 2010.

IDAHO DEPARTMENT OF INSURANCE

by 
WILLIAM W. DEAL
Director