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Attorney General

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ISB No. 4032

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MAY 06 2011

Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

ROBERT J. SCHMIDT,
Resident Producer License No. 51002
(inactive);

and

SCHMIDT INSURANCE COMPANY, INC.
an Idaho corporation
d/b/a Chow and Company Insurance,
Resident Producer License No. 97841,

RESPONDENTS.

Docket No. 18-2670-11

FINAL ORDER

The parties hereto, namely the Idaho Department of Insurance and ROBERT J. SCHMIDT, Resident Producer License No. 51002 (inactive), and SCHMIDT INSURANCE COMPANY, INC., an Idaho corporation, d/b/a Chow and Company Insurance, Resident Producer License No. 97841, along with their respective counsel of record, having entered into a STIPULATION CONCERNING VERIFIED COMPLAINT on file herein, the form of the order

having been approved, and the Director having reviewed the same, and having found that there is a factual basis for the matter as alleged herein, does hereby enter his Findings of Fact and Conclusions of Law as follows:

1. That ROBERT J. SCHMIDT violated of Idaho Code § 41-1004(1) by selling, soliciting and negotiating insurance in Idaho as an individual producer without an active producer license.

2. That ROBERT J. SCHMIDT violated provisions of Idaho Code § 41-1024 and IDAPA 18.01.10, and the fiduciary duty arising thereunder by failing to maintain a positive balance, by incurring repeated over-draft fees against the Trust Account deposits and for unlawfully diverting and appropriating trust funds to personal use.

3. That ROBERT J. SCHMIDT violated Idaho Code 41-1016(1)(d) by improperly withholding, misappropriating or converting moneys received in the course of doing insurance business with regard to the Vietnamese Restaurant and its owner, Mr. Li,

4. That ROBERT J. SCHMIDT violated Idaho Code 41-1016(1)(h) 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” Idaho.

5. That SCHMIDT INSURANCE COMPANY, INC., violated provisions of Idaho Code § 41-1024 and IDAPA 18.01.10, and the fiduciary duty arising thereunder by failing to maintain a positive balance, by incurring repeated over-draft fees against the Trust Account deposits and for unlawfully diverting and appropriating trust funds to personal use.

6. That SCHMIDT INSURANCE COMPANY, INC., violated Idaho Code 41-1016(1)(d) by improperly withholding, misappropriating or converting moneys received in the course of doing insurance business with regard to the Vietnamese Restaurant and its owner, Mr.

Li.

7. That SCHMIDT INSURANCE COMPANY, INC., violated Idaho Code 41-1016(1)(h) 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” Idaho.

Based on the foregoing and in consideration of the premises,

IT IS HEREBY ORDERED that the STIPULATION CONCERNING VERIFIED COMPLAINT on file herein is approved and adopted as an Order of the Director, and is incorporated herein as if set forth in full and made a part hereof; and,

IT IS FURTHER ORDERED that ROBERT J. SCHMIDT request for reconsideration of the denial of his application for a producer license is hereby DENIED and that ROBERT J. SCHMIDT shall cease and desist the business of insurance in Idaho, including, but not limited to, the selling, soliciting and negotiating insurance in Idaho; and,

IT IS FURTHER ORDERED that SCHMIDT INSURANCE COMPANY, INC.’s, d/b/a Chow and Company Insurance, Resident Producer License No. 97841 is hereby REVOKED; and,

IT IS FURTHER ORDERED that RESPONDENTS shall return said Resident Producer License No. 97841 forthwith to the Idaho Department of Insurance, PO Box 83720, Boise, Idaho 83720-0043; and,

IT IS FURTHER ORDERED that an administrative penalty of \$4,000.00 is imposed against ROBERT J. SCHMIDT, of which \$2,000.00 is due and payable within five (5) business days of the entry of this Order, and \$2,000.00 is suspended until such time as ROBERT J. SCHMIDT or any company or entity owned in whole or in part by ROBERT J. SCHMIDT

applies for a license from the Department, at which time the suspended portion of the administrative penalty shall be paid prior to any consideration by the Department of such license application; and,

IT IS FURTHER ORDERED that an administrative penalty of \$3,000.00 imposed against SCHMIDT INSURANCE COMPANY, INC., d/b/a Chow and Company Insurance, of which \$1,500.00 is due and payable within five (5) business days of the entry of this Order, and \$1,500.00 is suspended until such time as ROBERT J. SCHMIDT or any company or entity owned in whole or in part by ROBERT J. SCHMIDT applies for a license from the Department, at which time the suspended portion of the administrative penalty shall be paid prior to any consideration by the Department of such license application; and,

IT IS FURTHER ORDERED that RESPONDENTS shall immediately pay to Mr. Li of the Vietnamese Restaurant the sum of \$236.75 and shall promptly provide to the Idaho Department of Insurance evidence of payment.

IT IS SO ORDERED.

DATED this 5th day of May, 2011.

WILLIAM W. DEAL, Director
IDAHO DEPARTMENT OF INSURANCE

By: 
Shad Priest,
Deputy Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have, on this 6th day of May, 2011, caused a true and correct copy of the foregoing FINAL ORDER to be served upon the following by the designated means:

Schmidt Insurance Company, Inc., d/b/a Chow
and Company Insurance
6415 W. Ustick Road
Boise, ID 83704-6157

- first class mail
- certified mail
- hand delivery
- via facsimile

Robert J. Schmidt
6415 W. Ustick Road
Boise, ID 83704-6157

- first class mail
- certified mail
- hand delivery
- via facsimile

David Young
214 12th Avenue Road
Nampa, ID 83686

- first class mail
- certified mail
- hand delivery
- via facsimile

Richard B. Burleigh
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street
Boise, Idaho 83720-0043

- first class mail
- certified mail
- hand delivery
- via facsimile

Acuity, A Mutual Insurance Company
2800 South Taylor Drive
Sheboygan, WI 53081-8470

- first class mail
- certified mail
- hand delivery
- via facsimile

American Farmers & Ranchers Insurance
Company
800 N. Harvey
Oklahoma City, OK 73102-2813

- first class mail
- certified mail
- hand delivery
- via facsimile

American States Preferred Insurance Company
1001 Fourth Avenue, Safeco Plaza
Seattle, WA 98154

- first class mail
- certified mail
- hand delivery
- via facsimile

American Zurich Insurance Company
1400 American Lane
Schaumburg, IL 60196-1056

- first class mail
- certified mail
- hand delivery
- via facsimile

Assurance Company Of America
1400 American Lane
Schaumburg, IL 60196-1056

- first class mail
- certified mail
- hand delivery
- via facsimile

Auto-Owners Insurance Company
6101 Anacapri Boulevard
Lansing, MI 48917-3968

- first class mail
- certified mail
- hand delivery
- via facsimile

Auto-Owners Life Insurance Company
6101 Anacapri Boulevard
Lansing, MI 48917-3968

- first class mail
- certified mail
- hand delivery
- via facsimile

Automobile Insurance Company Of Hartford,
Connecticut
One Tower Square
Hartford, CT 06183

- first class mail
- certified mail
- hand delivery
- via facsimile

Casualty Underwriters Insurance Company
1035 South 183rd Street West
Goddard, KS 67052

- first class mail
- certified mail
- hand delivery
- via facsimile

Financial Indemnity Company
8360 LBJ Freeway, Suite 400
Dallas, TX 75243-1134

- first class mail
- certified mail
- hand delivery
- via facsimile

Hartford Accident And Indemnity Company
One Hartford Plaza
Hartford, CT 06155-0001

- first class mail
- certified mail
- hand delivery
- via facsimile

Hartford Casualty Insurance Company
One Hartford Plaza
Hartford, CT 06155-0001

- first class mail
- certified mail
- hand delivery
- via facsimile

Hartford Fire Insurance Company
One Hartford Plaza
Hartford, CT 06155-0001

- first class mail
- certified mail
- hand delivery
- via facsimile

Hartford Insurance Company of the Midwest
One Hartford Plaza
Hartford, CT 06155-0001

- first class mail
- certified mail
- hand delivery
- via facsimile

Hartford Underwriters Insurance Company
One Hartford Plaza
Hartford, CT 06155-0001

- first class mail
- certified mail
- hand delivery
- via facsimile

Idaho State Insurance Fund
1215 West State Street
Boise, ID 83702

- first class mail
- certified mail
- hand delivery
- via facsimile

Maryland Casualty Company
1400 American Lane
Schaumburg, IL 60196-1056

- first class mail
- certified mail
- hand delivery
- via facsimile

Northern Insurance Company Of New York
1400 American Lane
Schaumburg, IL 60196-1056

- first class mail
- certified mail
- hand delivery
- via facsimile

Oregon Mutual Insurance Company
400 NE Baker Street
McMinnville, OR 97128

- first class mail
- certified mail
- hand delivery
- via facsimile

Owners Insurance Company
6101 Anacapri Boulevard
Lansing, MI 48917-3968

- first class mail
- certified mail
- hand delivery
- via facsimile

Phoenix Insurance Company
One Tower Square
Hartford, CT 06183

- first class mail
- certified mail
- hand delivery
- via facsimile

Progressive Northern Insurance Company
6300 Wilson Mills Road, W33
Cleveland, OH 44143-2182

- first class mail
- certified mail
- hand delivery
- via facsimile

Progressive Northwestern Insurance Company
6300 Wilson Mills Road, W33
Cleveland, OH 44143-2182

- first class mail
- certified mail
- hand delivery
- via facsimile

Property And Casualty Insurance Company Of
Hartford
One Hartford Plaza
Hartford, CT 06155-0001

- first class mail
- certified mail
- hand delivery
- via facsimile

Sentinel Insurance Company Ltd.
One Hartford Plaza
Hartford, CT 06155-0001

- first class mail
- certified mail
- hand delivery
- via facsimile

Standard Fire Insurance Company
One Tower Square
Hartford, CT 06183

- first class mail
- certified mail
- hand delivery
- via facsimile

Standard Guaranty Insurance Company
260 Interstate North Circle, SE
Atlanta, GA 30339-2110

- first class mail
- certified mail
- hand delivery
- via facsimile

Travelers Home And Marine Insurance
Company
One Tower Square
Hartford, CT 06183

- first class mail
- certified mail
- hand delivery
- via facsimile

The Travelers Indemnity Company of America
One Tower Square
Hartford, CT 06183

- first class mail
- certified mail
- hand delivery
- via facsimile

Trumbull Insurance Company
One Hartford Plaza
Hartford, CT 06155-0001

- first class mail
- certified mail
- hand delivery
- via facsimile

Twin City Fire Insurance Company
One Hartford Plaza
Hartford, CT 06155-0001

- first class mail
- certified mail
- hand delivery
- via facsimile

United Financial Casualty Company
6300 Wilson Mills Road, W33
Cleveland, OH 44143-2182

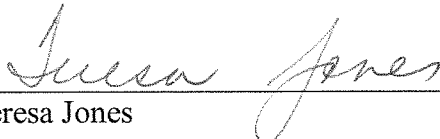
- first class mail
- certified mail
- hand delivery
- via facsimile

Western Protectors Insurance Company
400 NE Baker Street
McMinnville, OR 97128

- first class mail
- certified mail
- hand delivery
- via facsimile

Western Surety Company
101 South Phillips Avenue
Sioux Falls, SD 57104-6703

- first class mail
- certified mail
- hand delivery
- via facsimile



Teresa Jones