

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	
Patricia L. Howard)	CEASE AND DESIST ORDER
NPN 5743902,)	AND NOTICE OF
DOB 10/9/48,)	OPPORTUNITY FOR HEARING
)	
Respondent.)	CASE NO. AG-09-260

TO: Patricia L. Howard, 9479 Main Street, Dunn Center, ND 58626

Insurance Commissioner Adam Hamm (hereinafter "Commissioner") has determined as follows:

1. N.D.C.C. § 26.1-01-03.1 authorizes the Commissioner to issue an Order to cease and desist when it appears that any person or business entity is or has engaged in an act or practice which violates or may lead to a violation of the North Dakota Century Code.
2. N.D.C.C. Chapter 26.1-26 regulates the licensing of insurance producers.
3. Patricia L. Howard, NPN 5743902, DOB 10/9/48 (hereinafter "Respondent"), is presently and has been at all times pertinent to this action a licensed North Dakota resident insurance agent.
4. N.D.C.C. § 26.1-26-42 states, in part:

The commissioner may suspend, revoke, place on probation, or refuse to continue or refuse to issue any license issued under this chapter if, after notice to the

licensee and hearing, the commissioner finds as to the licensee any of the following conditions:

...

6. In the conduct of affairs under the license, the licensee has used fraudulent, coercive, or dishonest practices, or has shown oneself to be incompetent, untrustworthy, or financially irresponsible.

...

10. An improper withholding of, misappropriating of, or converting to one's own use any moneys belonging to policyholders, insurers, beneficiaries, or others received in the course of one's insurance business.

5. The Commissioner has come into information which alleges that Respondent has knowingly and intentionally engaged in deceitful and dishonest practices against residents of the State of North Dakota; further, that, in her actions on and between September 19, 2008, and continuing at least through October 15, 2009, of accepting money belonging to several insurance clients, Respondent improperly withheld clients' money and failed to submit applications for insurance to the intended insurer. Respondent's conduct of accepting money intended to be used for insurance premiums and then failing to remit the money and other documents to the appropriate insurer constitutes a violation of N.D.C.C § 26.1-26-42(6).

6. On or about September 19, 2008, Respondent, acting as insurance agent, accepted \$757.00 and an application for insurance from Rockie and Jeanne Kukla for a ranch/farm liability and homeowners insurance policy. Respondent kept the money and application and failed to remit either of them to the insurer, Nodak Mutual Insurance Company, in violation of N.D.C.C. § 26.1-26-42(6) and (10).

7. On or about February 26, 2009, Respondent, acting as insurance agent, accepted a check from Craig Pelton for quarterly payment of insurance premiums for a ranch/farm liability policy. Respondent kept the money and application and failed to remit them to the intended insurer, Nodak Mutual Insurance Company, in violation of N.D.C.C. § 26.1-26-42(6) and (10).

8. On or about September 1, 2009, Respondent, acting as insurance agent, completed a document titled "ACORD Insurance Binder" and sent it via facsimile to Wells Fargo Bank. Respondent created the document intended it be used to provide proof of insurance of the ranch/farm liability policy that Rockie and Jeanne Kukla thought they had secured through Respondent but which she in fact never did submit to the intended insurer, Nodak Mutual Insurance Company. Respondent knew the Kuklas had no such insurance coverage and that the document contained false information.

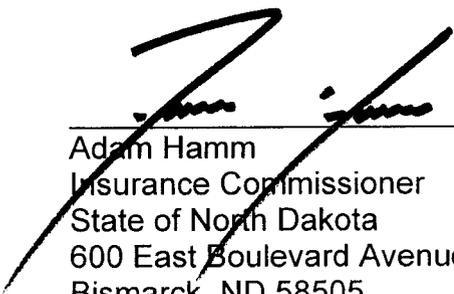
9. Respondent's conduct constitutes violations of N.D.C.C § 26.1-26-42(6) and (10).

NOW, THEREFORE, IT IS HEREBY ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Respondent, whether acting in the State of North Dakota as an insurer, a risk retention group, a purchasing group, an insurance producer, or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall immediately **CEASE AND DESIST** from soliciting, transacting, or otherwise engaging in the business of insurance.

IT IS FURTHER ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Respondent may make a written request for a hearing on this matter within 30 days of the date of this Order.

If the Respondent fails to request a hearing in writing within 30 days after being served with a copy of this Cease and Desist Order, the Commissioner shall make the Cease and Desist Order permanent, as the facts require.

DATED this 17th day of December, 2009.



Adam Hamm
Insurance Commissioner
State of North Dakota
600 East Boulevard Avenue
Bismarck, ND 58505
(701) 328-2440