

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	
Ryan Eckroth,)	CONSENT ORDER
NPN 3476952,)	
DOB 10/30/77,)	CASE NO. AG-11-332
)	
Respondent.)	

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

1. As a result of information obtained by the North Dakota Insurance Department ("Department") regarding the conduct of Ryan Eckroth, NPN 3476952, DOB 10/30/77 ("Respondent"), who is presently and has been at all times pertinent to this action a resident licensed insurance producer in North Dakota, the Commissioner has considered scheduling a formal hearing to determine whether Respondent's conduct as alleged constitutes a basis for imposition of a civil penalty or any other action the Commissioner deems necessary. Respondent's conduct is alleged to be in violation of N.D.C.C. §§ 26.1-02.1-02.1, 26.1-04-03(12), 26.1-26-15, and 26.1-26-42(6), (10), and (11).

2. N.D.C.C. § 26.1-02.1-02.1(1) states:

A person may not commit a fraudulent insurance act.

3. N.D.C.C. § 26.1-04-03 states, in part:

26.1-04-03. Unfair methods of competition and unfair or deceptive acts or practices defined. The following are unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

...

12. Misrepresentation in insurance applications. Making false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, insurance producer, or individual.

4. N.D.C.C. § 26.1-26-15 states:

26.1-26-15. License requirement – Character. An applicant for any license under this chapter must be deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation.

5. 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.

11. The licensee has been found guilty of any unfair trade practice defined in this title or fraud.

6. The Commissioner has come into information which alleges that Respondent has knowingly and intentionally engaged in fraudulent insurance acts and deceitful and dishonest practices against residents of the State of North Dakota; further, that, in his actions on and between May 2011, and continuing at least through December 6, 2011, of applying for insurance policies on behalf of clients for insurance products that the clients did not want, Respondent received advanced commissions from his employer for policies that had never been put in force or that were canceled shortly after being put in force.

7. The Commissioner has also come into information which alleges that Respondent signed small businesses up for group life insurance which they did not want. The business owners were lead to believe by Respondent that they had to purchase life insurance in order to receive health insurance. Some of the business owners had specifically told Respondent they did not want life insurance but later learned that they were being charged for a group life insurance policy anyway.

8. The Commissioner has also come into information which alleges that Respondent created fictitious applications for insurance policies on behalf of clients for insurance products that the clients did not want.

9. When one of Respondent's clients noticed its business was being debited to pay for an unwanted life insurance policy, Respondent indicated it must have been an oversight and that he would correct it. Several weeks passed and the client contacted

Respondent again and he said that he was still researching the issue. Respondent promised to secure a refund. Respondent was paid advance commissions for the group life insurance policies sold to these businesses.

10. By creating applications for insurance policies that clients did not want and accepting advance commissions for those policies, Respondent improperly presented to an insurer false or misleading information as part of, in support of, or concerning a fact material to an application for the issuance or renewal of an insurance policy and by accepting advance commissions for the policies Respondent engaged in an act of theft by deception or otherwise, or embezzlement, abstracting, purloining, or conversion of moneys, funds, premiums, credits or other property of an insurer, reinsurer, or person engaged in the business of insurance in violation of N.D.C.C. § 26.1-02.1-02.1(1).

11. By creating applications for insurance policies that clients did not want and accepting advance commissions for those policies, Respondent engaged in unfair methods of competition and unfair and deceptive acts or practices in the business of insurance by making misrepresentations in insurance applications or making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, insurance producer, or individual in violation of N.D.C.C. § 26.1-04-03(12).

12. By creating applications for insurance policies that clients did not want and accepting advance commissions for those policies, Respondent has shown himself to not be competent, trustworthy, financially responsible, or of good personal and business reputation in violation of N.D.C.C. § 26.1-26-15.

13. By creating applications for insurance policies that clients did not want and accepting advance commissions for those policies, Respondent has, in the conduct of affairs under his license, used fraudulent, coercive, or dishonest practices, or has shown himself to be incompetent, untrustworthy, or financially irresponsible. He has also engaged in an improper withholding of, misappropriating of, or converting to his own use moneys belonging to policyholders, insurers, beneficiaries, or others received in the course of insurance business. Respondent has also shown himself to have engaged in an unfair trade practice. These practices are all violations of N.D.C.C. § 26.1-26-42.

14. In addition to the violations described above, Respondent has been the subject of past discipline. In 2009, the Commissioner fined Respondent for submitting an application for a hospital indemnity policy for himself and his family which contained inaccurate information regarding a family member's preexisting health condition.

15. Respondent denies the allegations but acknowledges that these allegations, if proven to be true, may constitute grounds for the Commissioner to impose sanctions including revocation of his license as well as the imposition of fines, penalties, and costs.

16. Respondent acknowledges that at the time of signing the Consent to Entry of Order, he was aware of or had been advised of his rights to a hearing in this matter, to consult an attorney, to present argument to the Commissioner, to appeal from any adverse determination after a hearing, and Respondent expressly waives those rights.

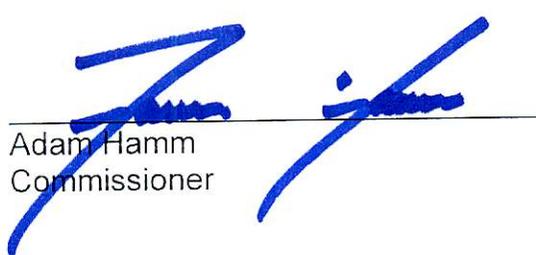
17. Respondent has agreed to informal disposition of this matter, without a hearing, as provided under N.D.C.C. § 28-32-22.

18. For purposes of resolving this matter without further administrative proceedings, Respondent and the Commissioner have agreed to enter into the following order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent Ryan Eckroth's individual insurance producer license is hereby **REVOKED** effective upon the Commissioner's execution of this Order.
2. No administrative fine or other civil penalty is imposed.
3. The use of this Order for competitive purposes by any insurance producer holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

DATED at Bismarck, North Dakota, this 12th day of March, 2012.



Adam Hamm
Commissioner

CONSENT TO ENTRY OF ORDER

The undersigned, **Ryan Eckroth**, states that he has read the foregoing Order, that he knows and fully understands its contents and effect; that he has been advised of his right to a hearing in this matter, his right to be represented by legal counsel, his right to present evidence and arguments to the Commissioner, and his right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order he waives those rights in their entirety, and consents to entry of this Order by the Commissioner. It is further expressly understood that this Order

constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

DATED this 29 day of Feb., 2012.



Ryan Eckroth

Subscribed and sworn to before me

this 29 day of Feb, 2012.

Sarah Engel

Notary Public

County of Burke
State of North Dakota

My commission expires: 9-22-15

