

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-09-259
)	
Respondent.)	

Deputy Insurance Commissioner Rebecca L. Ternes ("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. §§ 26.1-04-03(12), 26.1-26-15, and 26.1-26-42(6) and (11).

2. 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.

3. 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.

4. N.D.C.C. § 26.1-26-42 states, in part:

26.1-26-42. License suspension, revocation, or refusal - Grounds. 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.

...

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

5. The Commissioner has come into information which establishes that on or about December 18, 2007, Respondent signed and submitted to Conseco Insurance Company an application for a hospital indemnity policy for himself and his family. The application included the question, "Has anyone to be insured ever had, been treated for, or been diagnosed as having...Uncorrected Congenital Heart Defect....?" Respondent

answered "no". The application says above applicant's signature: "I have completed ...the application; all representations are true and complete to the best of my knowledge and belief." The policy was issued effective January 1, 2008.

6. Before the application was signed and submitted, Respondent's son, born July 6, 2007, had been diagnosed at birth with a congenital heart defect known as patent ductus arteriosus or PDA. Respondent knew of the diagnosis. Conseco subsequently rescinded the policy as to the son on March 16, 2009.

7. Respondent's action in answering "no" to the application question is a material misrepresentation that constitutes a violation of N.D.C.C. §§ 26.1-04-03(12), 26.1-26-15, and 26.1-26-42(6) and (11) and is grounds for administrative action against Respondent's insurance producer license.

8. Respondent denies the allegations but acknowledges that these allegations, if proven to be true, may constitute grounds for the Commissioner to impose a civil penalty.

9. 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.

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

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

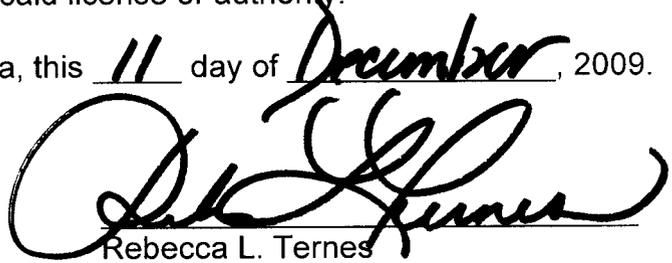
NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent shall pay a fine in the amount of \$750, due and payable by money order or cashier's check to the North Dakota Insurance Department within 30 days of execution of this Order.

2. The Commissioner reserves the right to take further action in this matter if Respondent does not timely pay the fine imposed in this Order.

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 11 day of December, 2009.



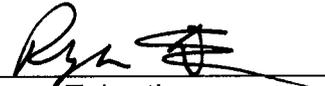
Rebecca L. Ternes
Deputy Insurance Commissioner
State of North Dakota

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

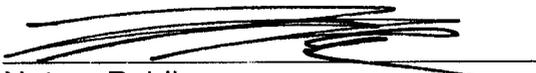
constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

DATED this 9th day of December, 2009.

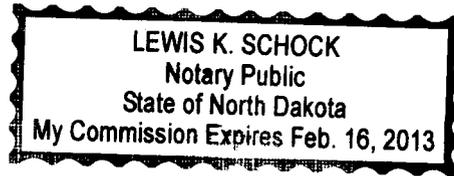


Ryan Eckroth

Subscribed and sworn to before me
this 9th day of December, 2009.



Notary Public



My commission expires:
Feb 16, 2013