

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	
Dustin Sobolik,)	CONSENT ORDER
NPN 16994377,)	
)	CASE NO. AG-15-509
)	
Respondent.)	

TO: Dustin Sobolik, 4840 Amber Valley Parkway, Suite B, Fargo, ND 58104

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 Dustin Sobolik, NPN 16994377 ("Respondent"), 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. As more fully described below, Respondent's conduct is alleged to be in violation of N.D.C.C. §§ 26.1-26-15 and 26.1-26-42(6).

2. N.D.C.C. § 26.1-26-15 requires that an applicant for a license must be deemed by the Commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation.

3. 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.

4. On or about May 19, 2014, the Department received information from Massachusetts Mutual Life Insurance Company ("MassMutual") relating to applications for life and disability insurance by Respondent. Respondent failed to disclose his complete medical history on the applications and had collected commissions on the sale of the policies.

5. MassMutual relies on medical history disclosed by a proposed insured on a life application. If a medical condition is disclosed, MassMutual may conduct a follow-up telephone interview concerning the disclosed condition. For applicants of life policies who are between 17-40 years old and who are applying for a policy face value of less than \$250,000, MassMutual underwriting guidelines provide that medical records are obtained only for cause.

6. Respondent disclosed limited medical history on the life application. MassMutual followed up with a telephone interview and did not have a cause to request medical records. On December 2, 2013, MassMutual issued the life insurance policy in reliance upon the information provided by Respondent on both his application and during the telephone interview.

7. Subsequent to MassMutual's issuance of Respondent's life policy, Respondent applied for a disability income insurance policy. The same medical history

Respondent provided on his life application gave rise to a request for medical records under the disability income underwriting guidelines. Upon receipt of Respondent's medical records, MassMutual discovered medical history that was requested on both the life and disability income applications, but not disclosed by Respondent on the applications or during the telephone interview. MassMutual did not issue the disability income policy and rescinded the life insurance policy.

8. Respondent's failure to fully disclose his medical history on the applications for life and disability income insurance is in violation of N.D.C.C. §§ 26.1-26-15 and 26.1-26-42(6).

9. Respondent acknowledges that at the time of signing the Consent to Entry of Order, he was aware of or had been advised of the right 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 has agreed to enter into the following order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent agrees to make his insurance producer license a conditional license for a period of two years, plus 61 days. After expiration of two years, the license will remain conditional for 61 days, allowing the Department to check court records and determine whether probation was completed successfully. If, at the end of the probationary period plus 61 days, there is no cause to terminate the license and all terms have been compiled with, an unrestricted license will be issued.

2. Respondent agrees to pay a fine in the amount of \$200 payable by money order, cashier's check, or credit card to the North Dakota Insurance Department within 20 days of the effective date of this Order.

3. Further, the Department may, during the two-year conditional license period, revoke, suspend, or take such further action as may be deemed necessary against Respondent's insurance license without Notice of Hearing or the issuance of a Complaint if the Department receives a complaint from any source against the Respondent and after investigation of the merits of said complaint, notifies the Respondent that he has, in the Commissioner's opinion, violated the laws of the State of North Dakota, except for minor traffic offenses. Respondent further agrees that any action taken against his license or in furtherance of this action is not appealable.

4. The use of this Consent Order for competitive purposes by an insurance agent or agency 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 9th day of March, 2015.



Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **Dustin Sobolik**, states that he has read the foregoing Consent Order, that he knows and fully understands its contents and effect; that he has been advised of the right to a hearing in this matter, the right to be represented by legal

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counsel, the right to present evidence and arguments to the Commissioner, and the 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, there being no other promises or agreements, either expressed or implied.

DATED this 2nd day of March, 2015.



Dustin Sobolik

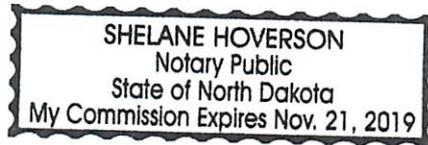
County of Cass
State of ND

Subscribed and sworn to before me this 2nd day of March, 2015.

Shelane Hooverson

Notary Public

My commission expires: Nov 21, 2019



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NORTH DAKOTA
INSURANCE DEPARTMENT