

**STATE OF NORTH DAKOTA**  
**BEFORE THE INSURANCE COMMISSIONER**

<b>In the Matter of</b>	)	
	)	<b>CONSENT ORDER</b>
<b>Tanya L. Rud,</b>	)	
<b>NPN 9313363,</b>	)	<b>CASE NO. AG-12-336</b>
	)	
<b>Respondent.</b>	)	

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

1. As a result of information obtained by the North Dakota Insurance Department ("Department") regarding the conduct of Tanya L. Rud, NPN 9313363, DOB 6/4/80 ("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. Respondent's conduct is alleged to be in violation of N.D.C.C §§ 26.1-04-03, 26.1-26-06, 26.1-26-15, and 26.1-26-42 and N.D. Admin. Code § 45-02-02-14.2.

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. § 26.1-26-06 states, in part:

An insurance producer may not act as an agent of an insurer unless the insurance producer becomes an appointed insurance producer of that insurer.

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:

**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.

6. N.D. Admin. Code § 45-02-02-14.2 states:

**45-02-02-14.2. Insurance producer indebtedness to companies.** An insurance producer who is personally liable and indebted to an insurance company for the payment of commissions, premiums, or other debts incurred in the insurance producer's insurance business with the company and who fails to timely pay that debt is financially irresponsible within the meaning of subsection 6 of North Dakota Century Code section 26.1-26-42. A civil judgment entered against an insurance producer in favor of an insurance company for the collection of such a debt creates a presumption that subsection 6 of North Dakota Century Code section 26.1-26-42 has been violated.

7. For approximately the past six years, Respondent worked for insurance producer Brent Kitzan. When Kitzan began having trouble getting or keeping appointments with insurance companies, Respondent got an insurance producer license in order to get appointments with companies for which Kitzan could not get or keep his own appointment. Kitzan would sell insurance products to clients and Respondent would do the paperwork and sign them as if she had made the sale. Respondent admitted that the only duty she had while working for Kitzan was to sign insurance forms for companies with which Kitzan was not appointed.

8. In approximately early 2010, despite knowing that Kitzan was having serious financial difficulties, Respondent applied for a credit card in her name and Kitzan's name. Neither Respondent nor Kitzan paid the charges on the credit card and Respondent discharged the debt in bankruptcy.

9. Respondent also opened a joint checking account with Kitzan which is overdrawn. The checking account has a negative balance of \$24,000 and the bank is seeking to collect the money from Respondent.

10. Respondent's appointment with Forethought Insurance Company was terminated recently because she owes the company a commission chargeback that she has failed to repay.

11. Respondent's conduct of assisting another producer in selling products for a company with which he was not appointed, of being indebted to an insurance company, and engaging in financially irresponsible behavior constitute violations of N.D.C.C §§ 26.1-04-03, 26.1-26-06, 26.1-26-15, and 26.1-26-42 and N.D. Admin. Code § 45-02-02-14.2.

12. Respondent's conduct shows that she has used fraudulent, coercive, or dishonest practices, and shows that she is incompetent, untrustworthy, or financially irresponsible which constitute violations of N.D.C.C §§ 26.1-04-03, 26.1-26-06, 26.1-26-15, and 26.1-26-42 and N.D. Admin. Code § 45-02-02-14.2.

13. Respondent's actions constitute violations of N.D.C.C. §§ 26.1-04-03, 26.1-26-06, 26.1-26-15, and 26.1-26-42 and N.D. Admin. Code § 45-02-02-14.2 and are grounds for revocation of Respondent's insurance agent license.

14. Respondent acknowledges that at the time of signing the Consent to Entry of Order, she was aware of or had been advised of her 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.

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

16. For purposes of resolving this matter, without further administrative proceedings, Tanya L. Rud and the Commissioner have agreed to enter into the following order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent's resident 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 Consent Order for competitive purposes by an insurance producer or insurance 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.

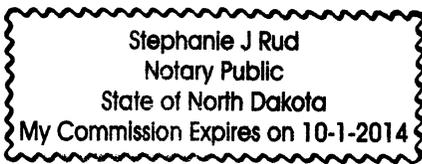
DATED at Bismarck, North Dakota, this 10<sup>th</sup> day of January, 2012.

  
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Adam Hamm  
Insurance Commissioner  
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **Tanya L. Rud**, states that she has read the foregoing Consent Order, that she knows and fully understands its contents and effect; that she has been advised of a right to a hearing in this matter, the right to be represented by legal 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 she 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 and there are no other promises or agreements, either expressed or implied.

DATED this 6<sup>th</sup> day of January, 2012.



  
Tanya L. Rud

Subscribed and sworn to before me

this 6<sup>th</sup> day of January, 2012.

  
Notary Public

My commission expires: