STATE OF NORTH DAKOTA

BEFORE THE INSURANCE COMMISSIONER

In the Matter of	)	
	)	**CONSENT ORDER**
Richard Lowrance,	)	
NPN 8605515,	)	**CASE NO. AG-15-568**
	)	
Respondent.	)	

TO: Richard Lowrance, by and through his attorneys of record, Ronald McLean and Kasey McNary, Serkland Law Firm, P.O. Box 6017, Fargo, ND 58108-6017

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 Richard Lowrance, NPN 8605515 ("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. § 26.1-26-42(6).

2. 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 shown oneself to be incompetent . . .

3. On or about April 8, 2015, the Department received a complaint alleging, among other things, that Respondent had provided inappropriate discounts to a policyholder of MemberSelect Insurance Company. After an audit was performed by MemberSelect Insurance Company on Respondent's book of business, it was discovered that Respondent was applying discounts to policies, for which customers may not qualify or for which supporting documentation was not provided, resulting in reduced premiums for those policyholders. Respondent's actions are a violation of N.D.C.C. § 26.1-26-42(6).

4. The conduct outlined in paragraph 3 is the same type of conduct for which Respondent was previously fined and for which he received a two-year conditional insurance producer license in June 2012.

5. Respondent's actions constitute violations of N.D.C.C. § 26.1-26-42(6) and are grounds for revocation of Respondent's insurance producer license.

6. 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.

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

8. 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 Richard Lowrance agrees to issuance by the Commissioner of a conditional license for a period of two years and after expiration of two years, the license will remain conditional for 61 days, to allow the Department to determine whether Respondent completed probation successfully or to enforce any violation of this agreement that occurred during the two-year conditional period. After the aforementioned time period has expired, the license will become unrestricted if no enforcement action has been initiated.

2. Respondent Richard Lowrance agrees to pay a fine in the amount of $3,000 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. Respondent Richard Lowrance agrees that the Department may, during the two-year conditional license period and the 61-day review period allowed under paragraph 1, 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 Respondent and, after investigation of the merits of said complaint, after Respondent has been afforded the opportunity to respond in writing, and after review of other factual information necessary, notifies the Respondent that Respondent has, in the Commissioner's opinion, violated the laws of Title 26.1 of the North Dakota Century Code. Respondent further agrees that any action taken against Respondent's license or in furtherance of this action is not appealable.

4. Respondent Richard Lowrance agrees to attend an additional 10 hours of

continuing education regarding issues of ethics and proper handling of property and casualty applications, above and beyond his required 24 hours of continuing education, to be performed biannually.

5. A producer, approved by the Department, will serve as a mentor to Respondent during the conditional license period. The approved mentor will work with Respondent to ensure that he is properly performing his duties as a licensed insurance producer and following the insurance laws of North Dakota. The mentor will also work with Respondent to implement and maintain an appropriate filing system. The mentor will submit a quarterly report to the Department verifying Respondent's compliance with the terms of his conditional license and providing progress updates on Respondent's performance.

6. Respondent's legal counsel will review with Respondent the provisions of N.D.C.C. § 26.1-26-42 and discuss with him his duties and responsibilities thereunder.

7. 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 22nd day of July, 2016.

Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **Richard Lowrance**, 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 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 18th day of July, 2016.

Richard Lowrance

Subscribed and sworn to before me this 18 day of July, 2016.

Notary Public

County of _____
State of _____

ROBERTA DAMMANN
Notary Public
State of North Dakota
My Commission Expires Feb 17, 2021

My commission expires: