

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

In the Matter of	)	<b>CEASE AND DESIST ORDER</b>
	)	<b>AND NOTICE OF</b>
<b>Tanya L. Rud,</b>	)	<b>OPPORTUNITY FOR HEARING</b>
<b>NPN 9313363,</b>	)	
	)	<b>CASE NO. AG-12-336</b>
<b>Respondent.</b>	)	

**TO: Tanya L. Rud, 310 Dover Drive, Bismarck, ND U.S.A. 58504**

Insurance Commissioner Adam Hamm (“Commissioner”) has determined as follows:

1. N.D.C.C. § 26.1-01-03.1 authorizes the Commissioner to issue an Order to cease and desist when it appears that any person or business entity is or has engaged in an act or practice which violates or may lead to a violation of the North Dakota Century Code.
2. N.D.C.C. title 26.1 regulates the business of insurance and N.D.C.C. chapter 26.1-26 regulates the licensing of insurance producers. The Commissioner has authority in this matter pursuant to N.D.C.C. title 26.1.
3. Tanya L. Rud, NPN 9313363 (“Respondent”), is presently and has been at all times pertinent to this action a licensed North Dakota resident insurance producer.
4. 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.

5. 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.

6. 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.

7. 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.

...

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

8. 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.

9. 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.

10. 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.

11. 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.

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

13. 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.

14. 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.

NOW, THEREFORE, IT IS HEREBY ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Respondent, whether acting in the State of North Dakota as an insurer, a risk retention group, a purchasing group, an insurance producer, or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall immediately **CEASE AND DESIST** from soliciting, transacting, or otherwise engaging in the business of insurance with residents of the State of North Dakota.

IT IS FURTHER ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Respondent may make a written request for a hearing on this matter within 30 days of the date of this Order.

If the Respondent fails to request a hearing in writing within 30 days after being served with a copy of this Cease and Desist Order, the Commissioner shall make the

Cease and Desist Order permanent, as the facts require.

DATED this 30 day of January, 2012.



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Adam Hamm  
Commissioner  
N.D. Insurance Department  
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Bismarck, ND 58505  
(701) 328-2440