STATE OF NORTH DAKOTA

BEFORE THE INSURANCE COMMISSIONER

In the Matter of	)	
	)	
John Paul Bearman,	)	**CONSENT ORDER**
NPN 5739378,	)	
	)	**CASE NO. AG-13-410**
Respondent.	)	

TO: John Paul Bearman, P.O. Box 1292, Minot, ND 58702

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 John Paul Bearman, NPN 5739378 ("Respondent"), an individual who held a North Dakota insurance producer license at all times relevant to this proceeding, the Commissioner has begun administrative proceedings regarding Respondent's conduct as alleged below and regarding the 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. §§ 26.1-02.1-02.1, 26.1-26-15, and 26.1-26-42.

2. N.D.C.C. § 26.1-02.1-02.1 states, in part:

> A person may not commit a fraudulent insurance act.

3. N.D.C.C. § 26.1-26-15 states, in relevant part:

> **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 relevant 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.

5. The Commissioner has come into information that Respondent has knowingly and intentionally engaged in a fraudulent insurance act and has in the conduct of affairs under his license used fraudulent, coercive, or dishonest practices in his actions on or about January 11, 2013, by fraudulently signing a potential customer's name to an application for homeowners insurance coverage and subsequently presenting this application to an insurer for the issuance of an insurance policy.

6. Respondent's actions in Paragraph 5 above constitute violations of N.D.C.C. §§ 26.1-02.1-02.1, 26.1-26-15, and 26.1-26-42.

7. Respondent's actions in violation of N.D.C.C. §§ 26.1-02.1-02.1, 26.1-26-15, and 26.1-26-42 are grounds for imposition of a civil penalty pursuant to N.D.C.C. § 26.1-26-50, which states in relevant part:

26.1-26-50. Civil penalty for violation of chapter.
In addition to or in lieu of any applicable denial, suspension, or revocation of a license, any person violating this chapter may, after hearing, be subject to a civil fine not to exceed ten thousand dollars for each violation.

8. 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.

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

10. There are no covenants, promises, undertakings, or understanding other than as specifically set forth in this Order.

11. Respondent consents to the Commissioner's continuing jurisdiction over him regarding any issues which may subsequently arise related to Respondent's activities.

12. 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 agrees to issuance by the Commissioner of a conditional license for a period of three years.

2. Respondent agrees to pay a fine in the amount of $1,500 payable by money order, cashier's check, or credit card to the North Dakota Insurance Department within 60 business days of the effective date of this Order.

3. The Department may, during the three-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. 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 2 day of July, 2013.

Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **John Paul Bearman,** 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 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, there being no other promises or agreements, either expressed or implied.

DATED this 28th day of June, 2013.

John Paul Bearman

Subscribed and sworn to before me

this 28 day of June, 2013.

Paulette Nush

Notary Public

State of North Dakota
County of Ward

My commission expires:

PAULETTE NUSH
Notary Public
State of North Dakota
My Commission Expires October 10, 2013

RECEIVED
JUL 02 2013
Commissioner of Insurance
State of North Dakota