

MAY 21 2024

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	CONSENT ORDER
)	
PETITIONER,)	
)	
VS.)	
)	
REBECCA HEROLD,)	CAUSE NO. A-2379
(NAIC PRODUCER #20283326),)	
)	
RESPONDENT.)	

In order to resolve this matter, the Nebraska Department of Insurance ("Petitioner"), by and through its attorney, Megan VanAusdall, and Rebecca Herold ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. Petitioner has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§ 44.101.01, and 44-4047 to 44-4067.
2. Respondent has been licensed as a non-resident insurance producer under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. Petitioner initiated this administrative proceeding by filing a Petition captioned State of Nebraska Department of Insurance vs. Rebecca Herold (NAIC National Producer #20283326), Cause Number A-2379, on May 8, 2024. A copy of both the Petition was sent to the Respondent at her registered address by certified mail, return receipt requested, and by regular U.S. mail. Respondent acknowledges receiving proper Notice of these proceedings.

2. Respondent is alleged to have violated Neb. Rev. Stat. § 44-4059(1)(g) & (h), and 44-1524(1), (pursuant to 44-1525(10)) as follows:

- a. On March 5, 2024, the Petitioner's Office received a notice of Termination of employment, naming the Respondent, from USAA Insurance Company (hereafter, "USAA"). USAA's letter of notice was dated February 29, 2024, and stated that Respondent's employment with their company had been terminated for cause, effective February 28, 2024, when USAA, upon routine monitoring of calls made by employee insurance producers, identified three Value Personal Property policies which the Respondent, while employed by USAA as a producer, issues without obtaining the policyholder's informed consent. One of these policies was subsequently cancelled by the named policyholder, the two others were cancelled immediately after being issued by Respondent. None of the policies in question were sold to Nebraska consumers.
- b. On March 7, 2024, Zager sent Respondent an inquiry letter as an attachment to an email message, requesting additional information on the circumstances leading to the termination of Respondent's employment with USAA. On the same date, Respondent emailed Zager back, writing, in relevant part: "[t]he allegations are correct. Unfortunately, I was not paying attention when I was issuing policies and ended up issuing them under the wrong customer profiles."

Zager responded on the same date, also via email, informing Respondent that he needed a "thorough account of the specific circumstances, the accounts, and your actions." Additionally, Zager asked that Respondent elaborate on how policies could allegedly be issued under the wrong profiles, as well as include detailed records of the specific accounts impacted.

Respondent replied by email the same day, explaining the allegedly fraudulently issued policies as due to the high volume of calls she took as a USAA employee, leading to several insurance policies being issued without the named policyholder's express consent or knowledge mistakenly, because Respondent claimed the high volume of calls combined with the fast pace of her work resulted in her failing to fully exit a consumer's profile before assigning policies to other policyholders.

c. On or about March 7, 2024, Zager also sent an inquiry letter to USAA, requesting further details and information on the company's handling of the investigation leading to the termination of Respondent's employment. Zager also sent USAA a copy of Respondent's statement, made in the emails exchanged between Zager and Respondent (see above). USAA subsequently provided several investigative documents, including their dismissal decision, which stated that their Quality Assurance division conducted a routine review of all phone calls made and received by USAA's insurance producers or agents, and found the following:

i. On or about January 19, 2024, Respondent, in her capacity as an employee of USAA, received a call from a consumer, asking for assistance in removing a family member from a current policy. USAA's investigative team found that Respondent concluded the call without obtaining the policyholder's consent to issue a new policy, then issued a Valuable Personal Property policy in the policyholder's name, but after the member session had been closed in USAA's internal system (policy number 034722677).

ii. Upon further investigation, USAA found Respondent had issued other Valuable Personal Property policies previously, under two other policyholder names, without their express consent or knowledge and after the member session had been closed, on November 18, 2023, and December 13, 2023, and policy numbers 016290235 and 002650185, respectively.

iii. As a result of the findings of their investigation, USAA terminated Respondent's employment with their company on February 9, 2024.

d. On or about March 19, 2024, Zager mailed USAA's Licensing Manager, Mary Costa, requesting further information on USAA's findings from their investigation. Specifically, Zager asked for an explanation for the significance of USAA's investigators stating the "member session" being closed when Respondent issued the VVP [Valuable Personal Property policy], and if the state of the member session supported or refuted Respondent's statement. Zager's message read further: "[s]imilarly, explain Ms. Herold [Respondent] having 'received 2 calls during that time period' and clarify the specific parameters of the 'time period' reviewed. Were there any indications of VPP policies requested by other clients that, conversely, were not issued (as implied in Ms. Herold's statement?)"

e. On or about April 2, 2024, USAA, through their employee, Ms. Costa, responded to Zager's supplemental inquiry, providing an explanation of USAA's internal review process, as well as brief summaries of phone calls reviewed as part of the investigation, and USAA's affirmation that, based on their review of these calls, all three policyholders of the policies in question were not informed and did not consent to the issuance of a Valuable Personal Property policy.

f. On or about April 3, 2024, Zager sent a letter, attached to an electronic message addressed to Respondent's registered email address with the Petitioner's office, informing Respondent USAA's investigative report found no requests from the named policyholders on the fraudulently issued policies in question to issue such policies, contradicting the information Respondent offered in her statement. Zager requested further information or clarification as to this contradiction, and informed Respondent that "failure to respond within 15 working days may be considered a violation of the Nebraska Unfair Trade Practices Act." g.

On or about the same date, April 3, 2024, Respondent replied to Zager's letter attached to the email of the same date, stating in relevant part:

"The information you have is correct. I was terminated from USAA for dishonest sale practices. I did issue Valuable Personal Property (VPP) policies without consumer consent. In each instance it did benefit the

customer by saving them money on their current bills due to bundle savings they were now receiving. Be that as it may, it was not ethical or the right thing to do.

There is no excuse for this behavior. It was simply an error in judgment that unfortunately has severe consequences...I regret these actions that lead [sic] up to my dismissal from my position and I can only hope that these actions did not reflect poorly on the company or the insurance industry as a whole."

3. Respondent admits the allegations in Paragraph 2.

4. Respondent was informed of her right to a public hearing. Respondent waives that right and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving her right to a public hearing, Respondent also waives her right to confrontation of witnesses, production of evidence, and judicial review.

5. On May 13, 2024, the Department received a "Voluntary Surrender of License" form from Respondent, signed by Respondent and effective the same date, May 13, 2024, requesting that any Nebraska license issued in Respondent's name be cancelled.

CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes violations of Neb. Rev. Stat. § 44-4059(1)(g) & (h), and 44-1524(1), (pursuant to 44-1525(10)), and Respondent is subject to disciplinary action pursuant to Neb. Rev. Stat. § 44-4059.

CONSENT ORDER

It is therefore Ordered by the Director of Insurance and agreed by Respondent that:

1. Respondent's non-resident insurance producer's license in Nebraska shall be revoked.

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signatures below.

Megan VanAusdall

Megan VanAusdall, #27433
Attorney for Petitioner
1526 K Street, Suite 200
Lincoln NE 6850
(402) 471-4742

5-17-2024

Date

Rebecca Herold

Rebecca Herold
Respondent

5/16/24

Date

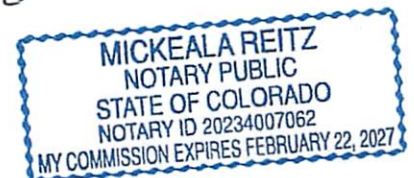
State of Colorado)

County of El Paso) ss.

On this 16 day of May, 2024, Rebecca Herold personally appeared before me and read this Consent Order, executed the same, and acknowledged the same to be her voluntary act and deed.

Mickeala Reitz
Notary Public

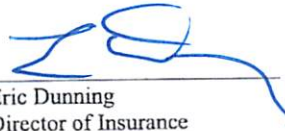
CERTIFICATE OF ADOPTION



I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Rebecca Herold (NAIC National Producer #20283326), Cause No. A-2379.

STATE OF NEBRASKA
DEPARTMENT OF

INSURANCE

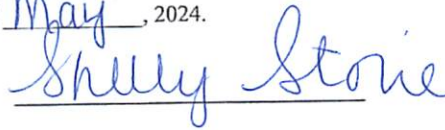


Eric Dunning
Director of Insurance

5/21/24
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Consent Order was served upon Respondent by mailing a copy to her registered residential, mailing, and business address, 2680 Clarendon Drive, Colorado Springs, CO 80916, by certified mail, return receipt requested, by regular U.S. mail, and by sending a copy as an attachment to an email addressed to her registered username, rebecca_paez@yahoo.com, on this 21st day of May, 2024.



Shelly Stone