

DEC 28 2020

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	FINDINGS OF FACT, CONCLUSIONS
)	OF LAW, RECOMMENDED ORDER
PETITIONER,)	AND ORDER
)	
VS.)	CAUSE NO. A-2235
)	
PATRIOT UNDERWRITING MANAGERS,)	
INC. (NAIC Producer #100176875),)	
)	
)	
RESPONDENT.)	

This matter came on for hearing on December 10, 2020, before Thomas C. Green II, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance (“Department”) was represented by its counsel, Michael W. Anderson. Patriot Underwriting Managers, Inc. (“Respondent”) was not present and was not represented by counsel. The proceedings were recorded by Shelly Storie, a licensed Notary Public. The Department offered exhibits 1-3, which were received without objection, and the matter was taken under advisement. The hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. The Department is the agency of the State of Nebraska charged with licensing managing general agents.
2. Respondent is a licensed non-resident managing general agent. Respondent’s registered business address with the Department is 196 W Ashland Street, Suite 201B, Doylestown, PA 18901. (Ex. 1).

3. On or about October 23, 2020, the Petition and Notice of Hearing were served upon Respondent by mailing the same to its business address, by certified mail, return receipt requested, and via regular U.S. mail. (Ex. 2)

4. On or about November 6, 2020, the Domestic Return Receipt attached to the Petition and Notice of Hearing mailed to Respondent's registered business address was returned to the Department by the United States Postal Service evidencing delivery. (Ex. 2, Attachment 1)

5. On or about July 13, 2020, the Department received notice from Travelers that it was canceling Respondent's bond, effective August 16, 2020, for lack of payment. (Exhibit 1, Attachment 2).

6. On or about October 1, 2020, the Department sent correspondence to Respondent requesting updated bond information. (Ex. 1, Attachment 5)

7. To date, Respondent has neither responded to the correspondence sent from the Department, nor has it provided the Department with evidence that it has secured a new or replacement bond. (Exhibit 1).

CONCLUSIONS OF LAW

1. The Department has broad jurisdiction, control, and discretion over the licensing of insurance producers in the State of Nebraska pursuant to Neb. Rev. Stat. §§ 44-101.01 and 44-4901 to 44-4910.

2. The Department has personal jurisdiction over Respondent.

3. Pursuant to Neb. Rev. Stat. § 44-4908(1), the director of insurance may suspend or revoke a managing general agent's license, or may levy an administrative fine for not materially complying with the Managing General Agents Act, or any rule or regulation promulgated thereunder.

4. Pursuant to Neb. Rev. Stat. § 44-4909, the director shall adopt and promulgate reasonable rules and regulations for the implementation and administration of the Managing General Agents Act.

5. Pursuant to 210 Neb. Admin. Code §59-004, managing general agents are required to have a bond written by an insurer that is different from and not otherwise affiliated with the insurer contracting with the managing general agent. A copy of the executed bond is to be kept on file for review by the director.

6. Respondent failed to comply with 210 Neb. Admin. Code §59-004 as a result of the conduct set forth in paragraphs 5 through 7 of the Findings of Fact.

DISCUSSION

The Department presented sufficient evidence to show Respondent received proper notice of these proceedings. The uncontested evidence conclusively shows Respondent failed to maintain the appropriate bond required of managing general agents in Nebraska. Almost as troubling as failing to maintain the necessary bond, Respondent failed to respond to inquiries of the Department at all.

Due to the failure to both maintain the necessary bond and respond to the Department's inquiries, revocation of Respondent's non-resident managing general agent license is appropriate in this case.

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Respondent's Nebraska non-resident managing general agent license be revoked. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling Respondent or the Department of Insurance to make application for such further orders as may be necessary.

Dated this 28th day of December, 2020.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Thomas C. Green
Hearing Officer

CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of this Department in the matter of State of Nebraska, Department of Insurance vs. Patriot Underwriting Managers, Inc. (NAIC Producer #100176875), Cause No. A-2235.

Dated this 28 day of December, 2020.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Bruce R. Range
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order, and Order was served upon the Respondent by mailing a copy to Respondent's registered business address, 196 W Ashland Street, Suite 201B, Doylestown, PA 18901, via regular U.S. mail on this 28th day of December, 2020.


