

DEC 04 2012

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	
PETITIONER,)	CONSENT ORDER
)	
VS.)	
)	
CONNIE SAMEK,)	CAUSE NO. A-1961
NAIC National Producer # 7361461)	
)	
RESPONDENT.)	

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Michael C. Boyd and Connie Samek, ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §44-101.01 and §44-4047, et seq.

2. Respondent was licensed as a resident insurance agent under the laws of Nebraska at all times material hereto. Respondent's registered business address with the Department is Agency One Insurance, P. O. Box 275, David City, Nebraska 68632. Her registered home address with the Department is 1140 N. 5th, David City, Nebraska 68632.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Connie Samek, Cause Number A-1961 on October 5, 2012. A copy of the petition was served upon the Respondent at the Respondent's business

address registered with the Department by certified mail, return receipt requested, and Respondent's home address registered with the Department by First Class U.S. Mail.

2. The Petition alleges that Respondent violated §§44-4059(1)(b) and 44-4059(1)(h) as a result of the following conduct:

- a. On or about March 15, 2011, Douglas Inlay ("Inlay"), whose business address was Agency One Insurance, 4300 S. Lakeport, Suite 104, Sioux City, Iowa, had his Nebraska insurance producer license suspended by order of the Director in Nebraska administrative action A-1901. Shortly thereafter, the Nebraska Department of Insurance Consumer Affairs Division ("CAD") was contacted by a person alleging Inlay had attempted to sell her insurance, but before purchasing the insurance she had discovered that his Nebraska insurance producer license was suspended. CAD began an investigation into the activities of Inlay, which included both speaking with and sending a letter to Pamela Siroky ("Siroky"), the owner of Agency One Insurance, Inc. in David City, Nebraska asking her to provide information on her business relationship with Inlay and to also provide documentation of business solicited/submitted by Inlay after March 15, 2011. Siroky submitted a response letter to CAD in which Siroky included evidence that Candice Hunter, an insurance producer who became licensed in Nebraska April 1, 2011 and was working with Inlay at Agency One in Sioux City, Iowa had solicited insurance business with some insurers, including the MetLife ("MetLife") group of companies. CAD sent a letter to MetLife requesting information on MetLife business written through Agency One Insurance since May 1, 2010 when Inlay signed an Independent Agent agreement with Agency One Insurance agency of David City, Nebraska and its owner Siroky.
- b. MetLife provided CAD with information listing policies written on their insureds through Agency One insurance agency of David City, Nebraska, including the Agency One agency office of Inlay in Sioux City, Iowa. MetLife also advised that it does assign a user id and password to each licensed and appointed insurance producer who is granted access to the Company's Agent Resource Site (ARS); additionally, the Agency One insurance agency of David City, Nebraska was provided a generic user id. MetLife advised that it appointed Inlay in the State of Iowa. MetLife has not provided any explanation why he was never appointed as an agent of MetLife in the State of Nebraska, including on and after May 1, 2010 when he entered into an independent producer contract with Agency One insurance agency of David City, Nebraska and its owner Siroky. Respondent, in her written response to an inquiry from CAD regarding Inlay's ability to access MetLife's ARS system, advised that she had been

instructed by Agency One owner Siroky to give her MetLife user id/password to Inlay when he first joined Agency One. Respondent also contends that those instructions to provide her MetLife user id/password to Inlay were given after a meeting with Kelly Hanson, marketing representative for MetLife, who requested that Respondent allow Inlay to use her user ID and password. Respondent understood that Inlay's Iowa and Nebraska insurance licenses had been submitted to MetLife as part of the request for the appointment of Inlay in both the States of Iowa and Nebraska, and that he would utilize her user id/password until he got his own. Respondent acknowledged that she has been listed insurance producer "writer" for MetLife insurance policies sold out of Agency One's Sioux City, Iowa office to Nebraska insureds since Inlay wrote MetLife policies on Nebraska insureds using her "code"/user id out of Agency One's Sioux City, Iowa office. Therefore, Inlay had access to and was able to utilize the MetLife computer user IDs and passwords of Respondent (as well as Siroky) who were appointed agents of MetLife, to submit solicited Nebraska insurance business from Inlay's Agency One agency office in Sioux City, Iowa electronically to MetLife, which according to MetLife, was done without MetLife's knowledge or approval. It was Respondent's understanding that MetLife communicated with Inlay directly regarding underwriting on solicited Nebraska insurance business; further she claims that she never heard from MetLife regarding any Nebraska insurance business in which Inlay was involved.

- c. As shown on the MetLife information listing policies written on their insureds through Agency One insurance agency of David City, Nebraska, including the Agency One agency office of Inlay in Sioux City, Iowa, beginning in May, 2010, Inlay, who was the only licensed insurance producer in the Sioux City, Iowa office at that time, solicited/wrote 7 MetLife policies on Nebraska insureds residing in the surrounding northeast Nebraska area, and submitted the business to MetLife under Respondent's electronic user ID. In the month of June, 2010 Inlay solicited/wrote 14 MetLife policies on Nebraska insureds residing in the surrounding northeast Nebraska area, and submitted the business to MetLife under Respondent's electronic user ID.
- d. Inlay hired Joseph Sauce ("Sauce"), a licensed insurance producer, who began working with Inlay at Agency One in Sioux City, Iowa on July 1, 2010, and continued there until Sauce was no longer allowed in that office by Inlay after March 9, 2011. Inlay was aware that Sauce was never appointed as an agent of MetLife in the State of Nebraska. (Respondent claims she was unaware of Sauce's appointment status as an agent of MetLife.) Whether the Nebraska MetLife insurance business from Inlay's Agency One agency office in Sioux City, Iowa was thereafter solicited by Inlay or Sauce, it was submitted electronically by Inlay to MetLife under

Respondent's (or Siroky's) electronic user ID. In the month of July, 2010, Inlay and/or Sauce solicited/wrote 10 MetLife policies on Nebraska insureds residing in the surrounding northeast Nebraska area, and Inlay submitted the business to MetLife under Respondent's electronic user ID. In the month of September, 2010, Inlay and/or Sauce solicited/wrote 1 MetLife policy on a Nebraska insured residing in the surrounding northeast Nebraska area, and Inlay submitted the business to MetLife under Respondent's electronic user ID. In the month of October, 2010, Inlay and/or Sauce solicited/wrote 8 MetLife policies on Nebraska insureds residing in the surrounding northeast Nebraska area, and Inlay submitted the business to MetLife under Respondent's electronic user ID. In the month of November, 2010, Inlay and/or Sauce solicited/wrote 1 MetLife policy on a Nebraska insured residing in the surrounding northeast Nebraska area, and Inlay submitted the business to MetLife under Respondent's electronic user ID. In the month of January, 2011, Inlay and/or Sauce solicited/wrote 3 MetLife policies on Nebraska insureds, and Inlay submitted the business to MetLife under Respondent's electronic user ID. In the month of February, 2011, Inlay and/or Sauce solicited/wrote 4 MetLife policies on Nebraska insureds residing in the surrounding northeast Nebraska area, and Inlay submitted the business to MetLife under Respondent's electronic user ID on 3 of the policies, and under Siroky's electronic user ID on the other policy. Respondent was never involved in the marketing or solicitation of insurance business in the northeastern region of Nebraska referenced in this petition. During marketing meetings involving Kelly Hanson, the MetLife marketing representative and Inlay, it was clear that MetLife understood that any new business generated from that geographical region of Nebraska would be business solicited by Inlay or other agent operating out of Inlay's Sioux City, Iowa office. Of those multiple policies referenced above, Respondent never heard from MetLife regarding any Nebraska insurance business in which Inlay or Sauce may have been involved. Furthermore, at no time was Respondent ever asked questions by MetLife representatives regarding those policies referenced above.

- e. Although Respondent was listed as the "writer" agent for MetLife policies solicited/written by Inlay out of the Agency One Insurance Sioux City, Iowa office, she didn't feel that was her job as a Consumer Service Rep (CSR) to monitor Inlay's activities after Inlay was provided her user ID and password at the request of MetLife and Siroky. Respondent has advised that one of her duties at Agency One was to collect and open mail which would include commission statements sent to the Agency One Insurance agency office in David City, Nebraska by various insurers, including MetLife. Respondent also advises that Agency One procedures require that after determining that correspondence includes commission statements for agents working with Agency One, the information is to be submitted to the bookkeeper. Respondents agrees that had she reviewed the commission statements from

MetLife, the statements would have revealed that Inlay was writing business for the benefit of MetLife. CAD has obtained copies of MetLife commission statements for MetLife business written through Agency One Insurance since May 1, 2010 when Inlay signed an Independent Agent agreement with Agency One Insurance agency of David City, Nebraska and its owner Siroky. Although by agreement between Agency One Insurance and MetLife all insurance commissions on insurance business written through Agency One are paid monthly to Agency One Insurance in David City, Nebraska, the monthly statements have separate statements for each agent user id to allow the individual insurance producer to track the insurance business they have written through MetLife each month. Therefore, if Respondent had taken the initiative to review those monthly agent commission statements as a "licensed insurance producer", she could have discovered the ongoing new business written under her user id by Inlay (and/or Sauce) as referenced in subparagraph 5c and d above. Not only should Respondent not have initially allowed the non-appointed Inlay to utilize her user id and password to solicit/write MetLife business on Nebraska insureds, which she contends was at the instruction of Agency One owner Siroky and direction of the marketing representative of MetLife; but her claimed failure to ever review any of the monthly MetLife agent commission statements from May, 2010 through March, 2011 continued to enable the never Nebraska appointed for MetLife Inlay to solicit/write MetLife business on Nebraska insureds to both Inlay's and Agency One Insurance owner's financial benefit.

3. 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.

4. Respondent neither admits nor denies the allegations set forth in Paragraph #2 above; however to resolve this matter Respondent enters into this Consent Order.

CONCLUSIONS OF LAW

The Department concludes that Respondent's conduct as alleged above in Paragraph #2, if proved, would constitute violations of Neb. Rev. Stat. §§44-4059(1)(b) and 44-4059(1)(h), and would be subject to disciplinary action pursuant to Neb. Rev. Stat. §§44-4059. For purposes of this Consent Order, Respondent neither admits nor denies the allegations contained in Paragraph #2 above but consents to the entry of this Consent Order.

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent Connie Samek, that Respondent shall pay an administrative fine of one thousand dollars (\$1,000), due within thirty (30) days after the Director of Insurance or his designee approves and signs this consent order. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Department to enforce this Consent Order.

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


for Mike Boyd



I hereby certify that a copy of the executed Consent Order was sent to the Respondent at her business address registered with the Department at Agency One Insurance, P. O. Box 275, David City, Nebraska 68632, by certified mail, return receipt requested on this 5th day of December, 2012.

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