

OCT 19 2015

FILED

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

STATE OF NEBRASKA	)	
DEPARTMENT OF INSURANCE,	)	
	)	CONSENT ORDER
PETITIONER,	)	
	)	
VS.	)	CAUSE NO. A-2021
	)	
BRIAN A. CRAM,	)	
(NAIC National Producer #4792301)	)	
	)	
RESPONDENT.	)	

In order to resolve this matter, the Nebraska Department of Insurance (“Department”), by and through its attorney, Robert M. Bell, and Brian A. Cram (“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 the Insurance Producers Licensing Act, Neb. Rev. Stat. §§ 444047 to 4067.
2. Respondent is a licensed insurance producer under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a Petition and Notice of Hearing captioned State of Nebraska Department of Insurance vs. Brian A. Cram (NAIC National Producer #4792301), Cause No. A-2021, on June 24, 2015.

2. The Department mailed a copy of the Petition and Notice of Hearing to the business home address Respondent registered with the Department, Cram Insurance Agency Inc, 1317 W Pasewalk Ave Ste 200, Norfolk, NE 68701-4861, and to the home address Respondent registered with the Department, 1716 E Sycamore Ave, Norfolk, NE 68701-0842, by certified mail, return receipt requested, and by regular United States mail. A copy of the Petition and Notice of Hearing was also sent to Respondent's registered email address [bcram@unicogroup.com](mailto:bcram@unicogroup.com). Respondent received a copy of the Petition and Notice of Hearing.

3. On September 9, 2015, the Department filed an Amended Petition in the above-captioned matter. A copy of the Amended Petition was served upon the Respondent at his registered business address by certified mail, return receipt requested, as well as upon Respondent's legal counsel, David Watermeier, Morrow, Poppe, Watermeier & Lonowski, LLC, 201 N. 8th Street, Suite 300, P.O. Box 83439, Lincoln, NE 68501-3439. A copy of the Amended Petition was also sent to Respondent's registered email address. Respondent received a copy of the Amended Petition.

4. The Amended Petition alleges that Respondent violated Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(c), 44-1525(10) and 44-4059(1)(h) as follows:

- a. On or about February 17, 2014, the Department received a letter and a crime report from Brent Schuller, Senior Audit Specialist with the Farmers Internal Audit of Respondent's former appointed insurer, Farmers Insurance Group (Farmers). In the correspondence, Mr. Schuller alleges that Respondent submitted eighty-eight forged roof replacement invoices to Farmers so that Respondent's clients were provided unwarranted roof age discounts totaling \$42,691.45. According to the crime report, Respondent altered the eighty-eight invoices by using invoices from nine different roofing companies, all having the same scope of work, invoice number, date, and dollar amount but with different insured names and addresses.
- b. On or about February 17, 2014, the Department received from Farmers a statement signed by Respondent on October 2, 2013, in which Respondent admits to submitting altered roof invoices to Farmers so that Respondent's client would receive a premium discount. Respondent admits to using the

- same roofing invoice documents, then altering the address before Respondent submitted the invoice. Respondent stated that he knew “altering invoices and submitting duplicates was not the right thing to do.” The signed statement was also signed by witnesses Mr. Schuller, Farmers Area Sales Manager Ron Freiberger, and Farmers District Manager Craig Strickland.
- c. On or about December 8, 2014, Mark A. Wolfe, an Investigator with Department’s Fraud Division, interviewed Respondent and Respondent admitted to submitting altered roof invoices to Farmers so that Respondent’s clients would receive a premium discount. Respondent told Investigator Wolfe that he became frustrated with Farmers requirements and began submitting fraudulent invoices on behalf of clients indicating their roofs were new or recently replaced. Respondent stated that he altered the invoices to reflect different clients and addresses and that no clients had knowledge of Respondent altering invoices.

4. The Amended Petition alleges that Respondent violated Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(c), 44-1525(10), 44-6604(7) and 44-4059(1)(h) as follows:

- a. On or about February 17, 2014, Petitioner received a letter and a crime report from Brent Schuller, Senior Audit Specialist with the Farmers Internal Audit of Respondent’s former appointed insurer, Farmers Insurance Group (Farmers). In the correspondence, Mr. Schuller alleges that Respondent submitted nine altered proofs of insurance coverage to avoid a total of \$2,700.82 in higher premiums for Respondent’s clients by placing the business with Farmers instead of a higher priced insurer, specifically Bristol West. According to the crime report, investigation by Farmers discovered the nine proofs of insurance were allegedly from Member Select Insurance Company (AAA). Farmers contacted AAA and found that six of the fraudulent proofs of insurance showed invalid policy numbers and that three had the same policy number, but three different insureds none of which were the AAA insured in question.
- b. On or about February 17, 2014, Petitioner received from Farmers a statement signed by Respondent on October 2, 2013, in which Respondent admits to submitting faulty prior insurance cards to Farmers so that Respondent’s client would receive a prior insurance premium discount. The signed statement was also signed by witnesses Mr. Schuller, Farmers Area Sales Manager Ron Freiberger, and Farmers District Manager Craig Strickland.
- c. On or about December 8, 2014, Mark A. Wolfe, an Investigator with Petitioner’s Fraud Division, interviewed Respondent and Respondent admitted to submitting fraudulent proof of automobile insurance cards to Farmers so that Respondent’s clients would obtain auto insurance for his clients. Respondent stated to Investigator Wolfe that no client had knowledge of Respondent altering and submitting proof of insurance to Farmers.

5. The Amended Petition alleges Respondent violated Neb. Rev. Stat. § 44-4059(1)(f) and 44-4059(1)(h) as a result of the following conduct:

- d. In the District Court of Madison County, Nebraska, Case No. CR15-116, Respondent was adjudged guilty of the one count of Insurance Fraud-\$200.00 to \$499.00, a Class I Misdemeanor on June 26, 2015.
- e. The Court's Order of Probation entered August 28, 2015, sentenced Respondent to twelve months of probation under the supervision of a State Probation Officer with the following probation conditions:
  - (i) A fine of \$1,000.00, plus court costs of \$145.00, plus restitution of \$44,898.32 to Farmers Insurance Group, plus additional probation program fees of \$25.00 per month.
  - (ii) Attendance and completion of specialized programming as required by the supervising probation officer including Moral Reconation Therapy and Jim Jones Program.

6. Respondent was informed of his 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 his right to a public hearing, Respondent also waives his right to confrontation of witnesses, production of evidence, and judicial review.

7. Respondent admits to the allegations alleged in paragraph 3, 4, and 5.

#### CONCLUSIONS OF LAW

Respondent violated Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(c), 44-4059(1)(f) , 44-1525(10), 44-6604(7) and 44-4059(1)(h) and 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 the Respondent, Brian A. Cram, that:

1. Respondent's Nebraska insurance producer license shall be suspended beginning October 5, 2015, or from the day the Director adopts this consent order, whichever is later, for a period of six (6) months.
2. Respondent shall pay an administrative penalty of \$2,500 within thirty (30) days of the date that this consent order is signed by the Director.
3. Respondent will attend and complete at least twelve (12) hours of Department approved education on insurance industry ethics during the Respondent's six (6) month suspension. The twelve (12) hours agreed to will not count towards Respondent's continuing education requirements under Neb.Rev.Stat. § 44-3901 et. seq.
4. Respondent will comply with all the terms and conditions of the District Court of Madison County's, Nebraska, Order of Probation issued on August 28, 2015, in Case No. CR15-116.
5. If Respondent fails to comply with any of the terms of the Consent Order, Respondent's insurance producer license shall automatically be revoked.

In witness of their intention to be bound by this Consent Order, the parties have executed this document by subscribing their signatures below.

  
\_\_\_\_\_  
Robert M. Bell, #22390  
Attorney for Petitioner  
941 O Street, Suite 400  
Lincoln, NE 68508  
402-471-2201

10/19/15  
\_\_\_\_\_  
Date



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 the State of Nebraska Department of Insurance v. Brian A. Cram (NAIC National Producer #4792301), Cause No. A-2021.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

Bruce R. Ramge  
BRUCE R. RAMGE  
Director of Insurance

10-19-2015  
Date

CERTIFICATE OF SERVICE

I hereby certify that fully executed copies of this Consent Order were served upon

Respondent as follows:

Via Regular and Certified Mail  
Brian A. Cram  
Cram Insurance Agency Inc  
1317 W Pasewalk Ave Ste 200  
Norfolk, NE 68701-4861

On this 19 day of October, 2015.

Brandi J. Cousser