

AUG 28 2017

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	CONSENT ORDER
PETITIONER,)	
)	
VS.)	CAUSE NO. A-2081
)	
DIERK D. DORSEY,)	
(NAIC National Producer #234361))	
)	
RESPONDENT.)	

FILED

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Robert M. Bell, and Dierk D. Dorsey ("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. §§ 44-4047 to 4067.

2. Respondent was 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. Dierk D. Dorsey (NAIC National Producer #234361), Cause No. A-2081, on July 24, 2017.

2. The Department mailed a copy of the Petition and Notice of Hearing to the business and home address with the Department of Insurance is 10809 Prairie Brook Road,

Omaha, NE 68144, to Respondent's additional known mailing address of P.O. Box 241633, Omaha, NE 68124, to Respondent's known residential address of 5722 N 151 St, Omaha, NE 68116, and to Respondent's registered email address with the Department dierk@dorseyinsurance.us. Respondent received a copy of the Petition and Notice of Hearing.

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

- a. From on or about June 2, 2014, to July 22, 2016, Respondent received three insurance premium checks totaling \$6,151.00 from Heartland Workers Center for a liability insurance policy purportedly through United States Liability Insurance Company. Though Respondent issued invoices for the policy to the Heartland Workers Center based upon quotes he received for the policy, Respondent did not bind the coverage and the policy was not issued. United States Liability Insurance Company did not receive any of the premiums paid by Heartland Workers Center to Respondent.
- b. On or about August 10, 2016, Respondent was the subject of a letter sent to the Department by the Cincinnati Insurance Companies ("Cincinnati") alleging Respondent owed \$250,000 in unpaid premiums to Cincinnati and alleging Respondent collected the premiums and converted them to other uses.
- c. On or about December 2, 2016, Respondent was interviewed by Charles Starr, Division Chief of the Department's Insurance Fraud Prevention Division, at 5722 N 151 St, Omaha, NE 68116, Respondent's residence found by Division Chief Starr's investigation. In the interview, Respondent admitted to Division Chief Starr that he collected premiums from clients who had policies with Cincinnati and did not forward those premiums on to Cincinnati, instead using the premiums to pay premiums for other clients. Respondent estimated to Division Chief Starr that he had collected approximately \$70,000 to \$80,000 in premiums that he failed to forward to Cincinnati.
- d. On or about March 31, 2017, the Department received a letter and report from Douglas L. Spillers, Investigator II with the Special Investigations Unit of the Cincinnati Insurance Company, regarding Respondent's activities as an insurance producer. The report includes an audit report of Respondent that alleges as of March 10, 2017, Respondent owes Cincinnati \$203,199.59 in unpaid premiums that

were collected by Respondent but not forwarded to Cincinnati. Additionally, Investigator Spillers report included an interview with Respondent where Respondent admitted to collecting premiums for Cincinnati from clients and then using the premiums to pay other accounts to keep those accounts current.

4. The Petition alleges that Respondent violated Neb. Rev. Stat. § 44-4059(1)(b), 44-4059(1)(g), 44-4054(8), 44-1524, and 44-1525(11) as a result of the following conduct:

- a. On or about December 29, 2017, John Koenig, an Insurance Investigator with the Department's Consumer Affairs Division, sent Respondent a letter inquiring about unpaid premiums to Cincinnati to Respondent's registered home and business address and to Respondent's known home address found by Division Chief Starr, by certified mail return receipt requested. The letter informed Respondent that failure to respond within fifteen days of receipt may be considered an unfair trade practice. Both letters were returned to the Department by the United States Postal Service as "return to sender not deliverable as addressed unable to forward" on January 5, 2017.
- b. On or about January 12, 2017, Respondent was called by Investigator Koenig to obtain Respondent's current mailing address. Respondent asked that a letter be sent to PO Box 241633 Omaha, NE 68124 and that he would respond. Investigator Koenig reminded Respondent of his responsibility to notify the Department's licensing division of the address change and referred him to the Department's website for licensing division's contact information.
- c. On or about January 12, 2017, Investigator Koenig resent the letter inquiring about unpaid premiums to Cincinnati to Respondent's newly provided PO Box 241633 Omaha, NE 68124 address via first class US Mail. The letter informed Respondent that failure to respond within fifteen days of receipt may be considered an unfair trade practice. The letter was not returned to the Department and no response from Respondent was received.
- d. On or about March 14, 2017, Investigator Koenig sent Respondent a follow-up letter demanding immediate response to Respondent's newly provided PO Bobx241633 Omaha, NE 68124 address via certified mail, return receipt requested. On or about March 22, 2017, the Domestic Return Receipt was returned to the Department by the United States Postal Service signed by Respondent, confirming

delivery on March 20, 2017. No response from Respondent was received by the Department.

- e. To date, Respondent has not responded to the Department's inquires or updated his address, as required by law.

5. The Petition alleges that Respondent violated Neb. Rev. Stat. § 44-4059(1)(h)

as a result of the following conduct:

- a. On or about April 13, 2016, Respondent was subject to a default judgement by the County Court of Hall County, Nebraska, Case CI 16-125, in the amount \$21,484.15 plus court costs of \$144.70. According to the court documents, the amount is owed to the Platte Valley Insurance Company for Respondent's default on a promissory note related to the sale of a membership interest in Respondent's insurance agency.

6. The Petition alleges that Respondent violated Neb. Rev. Stat. §§ 44-4059(1)(b) and 44-4065(3) as a result of the following conduct:

- a. On or about March 2, 2017, the State of Nebraska filed a criminal complaint against Respondent in an action entitled State of Nebraska v. Dierk D. Dorsey in the County Court of Douglas County, Case CR 17-5616. The complaint alleges three separate counts of insurance fraud: Fraudulent Insurance Act a Class III Felony, Fraudulent Insurance Act a Class III Felony, and Fraudulent Insurance Act \$1,500 to \$5,000 a Class IV Felony.
- b. On or about March 10, 2017, Respondent signed a written waiver of arraignment. On the same date, the case was bound over to District Court of Douglas County in case CR 17-784.
- c. On or about March 15, 2017, Respondent filed the written arraignment with the District Court for Douglas County and on or about, March 16, 2017, the District Court accepted the written waiver.
- d. On or about May 24, 2017, the State of Nebraska amended the information against Respondent, alleging six counts of insurance fraud including: Fraudulent Insurance Act a Class III Felony, Fraudulent Insurance Act a Class III Felony, , Fraudulent Insurance Act \$1,500 to \$5,000 a Class IV Felony, Fraudulent Insurance Act \$5,000 or more a Class III Felony, Fraudulent Insurance Act a Class III Felony, and Fraudulent Insurance Act \$5,000 or more a Class III Felony.
- e. To date, Respondent has not provided a report to the Department regarding this criminal prosecution as required by law.

7. The Petition alleges that the conduct outlined in paragraphs 3 through 6 of this Consent Order demonstrates using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Nebraska or elsewhere; this constitutes a violation of Neb. Rev. Stat. § 44-4059(1)(h).

8. 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.

9. Respondent admits to the allegations alleged in paragraphs 3 through 6. Respondent consents to the revocation of his Nebraska insurance producer license, #234391.

CONCLUSIONS OF LAW

Respondent violated Neb. Rev. Stat. §§ 44-1524, 44-1525(11), 44-1529, 44-4054(8), 44-4059(1)(b), 44-4059(1)(d), 44-4059(1)(g), 44-4059(1)(h) and 44-4065(3) 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, Dierk D. Dorsey, that Respondent's Nebraska insurance producer license #234361 shall be revoked. Additionally, Respondent is required to return his license to the Department

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. Dierk D. Dorsey (NAIC National Producer #234361), Cause No. A-2081.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Bruce R. Ramge
BRUCE R. RAMGE
Director of Insurance

8-28-2017
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
Dierk D. Dorsey
P.O. Box 241633
Omaha, NE 68124

On this 28 day of August, 2017.

Brandis J. Bauer