

MAY 07 2019

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-2179
)	
LORRAINE T. TIGHE,)	
(NAIC National Producer #18367318),)	
)	
RESPONDENT.)	

This matter came on for hearing on May 2, 2019, before Robert E. Harkins, 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, Tracy A. Burns. Lorraine T. Tighe (“Respondent”) was not present and was not represented by counsel. The proceedings were recorded by Brandis Bauer, a licensed Notary Public. The Department presented evidence at the hearing 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 insurance producers.
2. Respondent is a licensed non-resident insurance producer in the State of Nebraska. Respondent’s current registered business and residence address with the Department is 9263 Dunkirk Road, Spring Hill, FL 34608. (Ex. 2, Attachment 1).

3. On or about March 22, 2019, the Petition and Notice of Hearing were served upon Respondent by mailing the same to her registered business and home address, by certified mail return receipt requested, and via regular U.S. mail. (Ex. 1).

4. On or about April 4, 2019, the certified letter mailed to Respondent was returned to the Department by the United States Postal Service, which stated "Return to Sender. Attempted-Not Known. Unable to Forward." (Ex. 1, Attachment 1)

5. To date, the correspondence sent via regular U.S. mail has not been returned to the Department, and the Department has not received notification that the correspondence was otherwise undeliverable. (Ex. 1).

6. On or about April 5, 2017, Respondent was appointed with Freedom Life Insurance Company of America ("Freedom"). (Ex. 4)

7. In October 2018, Respondent submitted at least two insurance applications containing incorrect banking information. Said banking information belonged to existing Freedom customers who subsequently notified Freedom of unauthorized bank withdrawals after the applications were submitted. (Ex. 4)

8. Freedom initiated an investigation of Respondent's book of business from April 2017 to October 2018. Freedom discovered that from August 2018 to October 2018, Respondent submitted twenty four (24) fraudulent insurance applications which generated over \$35,000 in advanced commissions. Freedom attempted to contact the applicants to verify their applications, but were unable to do so since the telephone numbers had generic voicemails or were inactive. (Ex. 3, Attachment 2; Ex. 4)

9. Policies were issued to the applicants, but all were cancelled prior to the effective date after telephone calls from the applicants. The cancellation calls were placed by Respondent using a disguised voice. (Ex. 3, Attachment 2; Ex. 4; Ex. 5)

10. Respondent falsely asserted that all of the applications were valid and that leads had been purchased from lead generator Benepath. However, the font, format, personal and other demographic information does not match the information received from Benepath. (Ex. 3, Attachment 4; Ex. 4)

11. Freedom identified three Nebraska consumers who may have been adversely affected by Respondent's conduct, but were subsequently unable to contact these consumers. (Ex. 3, Attachment 3; Ex. 4)

12. On or about November 6, 2018, Freedom terminated Respondent's appointment due to suspected fraud. To date, Respondent has failed to repay the commissions earned from the fraudulent applications. (Ex. 3, Attachment 1; Ex. 4).

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 44-4047 et seq.

2. The Department has personal jurisdiction over Respondent.

3. Pursuant to Neb. Rev. Stat. § 44-4059(1)(b), the director may suspend or revoke an insurance producer's license, or may levy an administrative fine for violating any insurance law or violating any rule, regulation, subpoena, or order of the director or of another state's insurance commissioner or director.

4. Pursuant to Neb. Rev. Stat. § 44-4059(1)(d), the director may suspend or revoke an insurance producer's license, or may levy an administrative fine for improperly withholding, misappropriating, or converting any money or property received in the course of doing business.

5. Pursuant to Neb. Rev. Stat. §44-4059(1)(e), the director may suspend or revoke an insurance producer's license, or may levy an administrative fine for intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

6. Pursuant to Neb. Rev. Stat. §44-4059(1)(g), the director may suspend or revoke an insurance producer's license, or may levy an administrative fine for having admitted or been found to have committed any insurance unfair trade practice, any unfair claims settlement practice, or fraud.

7. Pursuant to Neb. Rev. Stat. § 44-4059(1)(h), the director may suspend or revoke an insurance producer's license, or may levy an administrative fine for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

8. Pursuant to Neb. Rev. Stat. §§ 44-1525(10) and 44-1524, making false or fraudulent statements or representations on or relative to an application for a policy for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, or individual person shall be an unfair trade practice if the act or practice is committed flagrantly and in conscious disregard of the Unfair Trade Practices Act or has been committed with such frequency to indicate a general business practice to engage in that conduct.

9. Respondent violated Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(d), 44-4059(1)(e), 44-4059(1)(g), 44-4059(1)(h), and 44-1525(10), as a result of the conduct set forth in paragraphs 7 through 12 of the Findings of Fact.

10.

DISCUSSION

The Department presented sufficient evidence to show Respondent received proper notice of these proceedings. The uncontested evidence shows Respondent willfully engaged in a systemic pattern of fraud for her own financial enrichment. To date, Respondent has failed to disgorge the proceeds of her fraudulent activities. Respondent's actions clearly demonstrate a high level of untrustworthiness and dishonesty incompatible with the high moral and ethical standards required of a licensed insurance producer.

Based on the serious nature of the evidence presented, and considering the totality of the circumstances involved, revocation of Respondent's non-resident insurance producer 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 insurance producer 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 7th day of May, 2019.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Robert E. Harkins
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. Lorraine T. Tighe (NAIC National Producer #18367318), Cause No. A-2179.

Dated this 7 day of May, 2019.

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 and residence address, 9263 Dunkirk Road, Spring Hill, FL 34608, via certified mail, return receipt requested and via regular U.S. mail on this 7 day of May, 2019.

