

AUG 19 2020

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA	)	
DEPARTMENT OF INSURANCE,	)	FINDINGS OF FACT,
	)	CONCLUSIONS OF LAW,
PETITIONER,	)	RECOMMENDED ORDER AND
	)	ORDER
VS.	)	
	)	CAUSE NO. A-2212
CHADLY BROHARD,	)	
(NAIC Producer #18999060),	)	
	)	
	)	
RESPONDENT.	)	

This matter came on for hearing on August 13, 2020, before Tracy A. Burns, 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. Chadly Brohard ("Respondent") was not present and was not represented by counsel. The proceedings were recorded by Shelly Storie, 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 whose registered business and residence address is 2508 Formosa Avenue, Orlando, Florida 32804. (See Ex. 2, Attachment 1).

3. On or about May 15, 2020, the Petition and Notice of Hearing was served upon Respondent by mailing the same to his registered business and home address by certified mail, return receipt requested, and via regular U.S. mail. (See Ex. 3).

4. On or about July 24, 2020, a Motion for Continuance and an Order Granting the Motion for Continuance was mailed to the Respondent's registered business and home address by certified mail, return receipt requested, and by regular U.S. mail and via electronic mail to [chadbrohard@gmail.com](mailto:chadbrohard@gmail.com). (See Ex. 3, Attachment 1, Order Granting Motion for Continuance).

5. On or about July 30, 2020, the Petition and Notice of Hearing sent to Respondent's registered business and home address via certified mail was returned to the Department marked "Return to Sender, Unclaimed, Unable to Forward." (See Ex. 3, Attachment 1).

6. On or about November 4, 2019, the Department received notice from Freedom Life Insurance Company of America (Freedom Life) that Respondent's appointment was terminated for cause effective October 21, 2019, for engagement in fraudulent activity. (See Ex. 1, Attachment 1).

7. On or about November 4, 2019, the Department received a letter and attachments from Freedom Life that provided a detailed explanation of Respondent's termination for cause. The letter was dated October 22, 2019. The supporting documents were copies of text messages that showed Respondent had knowledge of applicant's pre-existing condition, medications taken for that condition, and, subsequently, advised applicant to reply no to application responses or coverage would be denied. Applicant specifically requested coverage for ER/hospital visits and pre-existing conditions and those

services were not covered under the purchased policy. Respondent sold this policy to the applicant knowing that “she would have no coverage for surgery or hospitalizations claims related to this [chronic pancreatitis]...” (See Ex. 1, Attachments 2 and 3).

8. On or about November 18, 2019, Bruce Eigsti, a former investigator with the Department’s Consumer Affairs Division, mailed a letter to the address on file for Respondent. The letter requested a response to the termination for cause notice and informed Respondent that Nebraska insurance laws require an adequate response within fifteen working days. (Ex. 1, Attachment 4).

9. On or about March 30, 2020, Autumn Shafer, an investigator with the Department’s Consumer Affairs Division, mailed a letter to the address on file for Respondent. The letter requested a response to the allegations represented by Freedom Life and informed the Respondent that Nebraska insurance laws require an adequate response within 15 working days of the receipt of the letter. (Ex. 1, Attachment 5).

10. On or about April 22, 2020, another follow-up letter was sent to Respondent via certified mail, return receipt requested, to Respondent’s registered address. The letter enclosed previous correspondence and, again, informed Respondent that Nebraska insurance laws require an adequate response within 15 working days of the receipt of the letter. (Ex. 1, Attachment 6).

11. On or about May 5, 2020, the certified letter mailed on April 22, 2020, was returned to the Department by the United States Postal Service marked, “Return to Sender, Vacant, Unable to Forward.” (Ex. 1, Attachment 7).

12. As of July 27, 2020, the Department has not received a response from the letters mailed on November 18, 2019; March 30, 2020 and April 22, 2020. (Ex. 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 44-4047 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)(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.

5. 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.

6. 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.

7. Pursuant to Neb. Rev. Stat. §§ 44-1525(11) and 44-1524, failure of an insurer, upon receipt of a written inquiry from the department, to respond to such inquiry within fifteen working days 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.

8. Pursuant to Neb. Rev. Stat. § 44-4054(8), licensees failing to inform the director by any means possible of a change of legal name or address within thirty days after the change is subject to a fine of not more than five hundred dollars per violation, suspension of the person's license until the change of address is reported to the director, or both.

9. Respondent violated Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(e), 44-4059(1)(g), 44-4059(1)(h) and 44-1525(11), as a result of the conduct set forth in paragraphs 6 through 12 of the Findings of Fact.

### DISCUSSION

At the hearing, the Department presented sufficient evidence of its attempts to provide the Respondent with notice of these proceedings. The Department attempted to serve Respondent via certified mail, return receipt requested and regular U.S. mail to Respondent's registered business and home address. Based upon this evidence, the Department's attempts to serve Respondent was sufficient and jurisdiction over the actions of the Respondent in this matter has been established.

The uncontested evidence shows that Respondent was terminated for cause by Freedom Life Insurance Company of America and this termination resulted from engaging in fraudulent activity. The activity included Respondent instructing an applicant to deny having a pre-existing condition. Respondent was aware of the pre-existing condition and

instructed applicant to deny the same or coverage would be denied. This activity is a coercive and dishonest practice. Further, Respondent stated he was aware the policy would not provide the coverage requested and proceeded with the application and its submission. These actions constitute a violation of Neb. Rev. Stat. §§ 44-4059(1)(h) and 44-4059(1)(e).

Additionally, Respondent failed to respond to the Department's initial and follow-up requests for information within fifteen working days of the inquiries which constitutes violations of Neb. Rev. Stat. §§ 44-1524; 44-1525(11) and 44-4059(1)(g) .

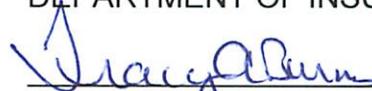
Based on the nature of the evidence presented and the aforementioned violations of statutes, the revocation of Respondent's non-resident insurance producer license is warranted.

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Respondent's Nebraska non-resident insurance producer license (NAIC Producer #18999060) be revoked effective on the date this Order is approved and adopted by the Director of Insurance. 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 orders as may be necessary.

Dated this 19<sup>th</sup> day of August, 2020.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE



Tracy A. Burns  
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. Chadly Brohard (NAIC Producer #18999060), Cause No. A-2212.

Dated this 19 day of August, 2020.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

Bruce R. Range  
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 home address, 2508 Formosa Ave., Orlando, FL 32804 via certified mail, return receipt requested and via regular U.S. mail and electronic mail at [chadbrohard@gmail.com](mailto:chadbrohard@gmail.com) on this 19<sup>th</sup> day of August, 2020.

Sherry Storie