

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

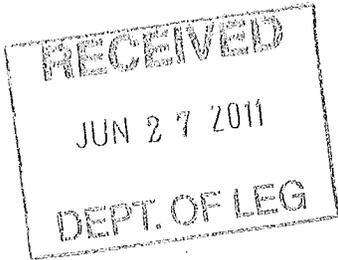
In the matter of:

Kimberlee K. Rutledge
System ID No. 0169484

Enforcement Case No. 11-11231

Respondent
_____ /

Issued and entered
on 7-5 2011
by Annette E. Flood
Chief Deputy Commissioner



CONSENT ORDER AND STIPULATION

A. FINDING OF FACTS AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. On or about September 21, 2009, Aflac SIU conducted an investigation after receiving information that Respondent Rutledge had submitted fictitious insurance policies for Aflac business customers.
2. Aflac's investigation determined that Respondent issued 101 policies to 62 fictitious policyholders. The policies were issued on legitimate Aflac business accounts.
3. All business accounts indicated the policyholders were not employees of the respective business.
4. All the fictitious policies were issued using a P.O. Box controlled by Respondent.
5. Respondent began submitting business under [REDACTED] writing number after Respondent's writing number was switched to a paid-as-earned status preventing advanced commissions from being earned prior to Aflac receiving payment of premiums.
6. On February 25, 2010, Respondent agreed to an interview. In that interview Respondent admitted to writing the fictitious business using a P.O. Box address that she rented. Respondent stated that her medical bills kept adding up and she felt like it was her only option.

7. Aflac provided Respondent with \$15,526.30 in advanced commissions based on the submission of applications now known to contain fictitious information.
8. On or about April 19, 2010, the Office of Financial and Insurance Regulation (OFIR) received notification from Aflac that Respondent Rutledge had been cancelled for cause.
9. As a licensee, Respondent knew or had reason to know that Section 1239(1)(d) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business."
10. As a licensee, Respondent knew or had reason to know that Section 1239(1)(e) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance."
11. As a licensee, Respondent knew or had reason to know that Section 1239(1)(h) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
12. As a licensee, Respondent knew or had reason to know that Section 2018 of the Code states that an unfair method of competition and an unfair or deceptive act or practice in the business of insurance include making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, broker, or individual.
13. Based upon the actions listed above, Respondent has committed acts that are grounds for the Commissioner ordering payment of a civil fine, refund of any overcharges, restitution made to cover losses, damages or other harm attributed to Respondent's violation of the Code, and/or licensing sanctions under Section 1244(1) and 2038 of the Code for the Respondent's violation of Sections 1239(1)(d) 1239(1)(e), 1239(1)(h), and 2018 of the Code.

B. ORDER

Based upon the findings of fact and conclusions of law above, and Respondent's stipulation to said facts, it is hereby ORDERED that:

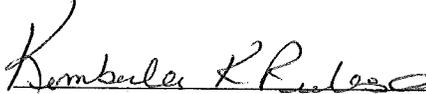
1. Respondent shall immediately cease and desist from operating in a manner that violates Section 1239 and 2018 of the Code, MCL 500.1239 and 500.2018.
2. Respondent's insurance producer license and authority are hereby **REVOKED**.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION

By: 
Annette E. Flood
Chief Deputy Commissioner

C. STIPULATION

I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I admit the facts set forth in the above consent order and agree to the entry of this order.


Kimberlee K. Rutledge
System ID No. 0169484

Dated: June 20, 2011

OFIR staff approves this stipulation and recommends that the Commissioner issue the above Consent Order.


William R. Peattie

Dated: 6/27/11