



BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
STATE OF TENNESSEE

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SECRETARY OF STATE

TENNESSEE INSURANCE DIVISION)
)
Petitioner,)
)
v.)
)
KELSEY KETRON)
)
Respondent.)

APD No. 12.04 - 159123J
TID No. 19-019

ORDER TO CEASE AND DESIST

This Order issues as the result of a Notice of Hearing and Charges and Request for Cease and Desist, and its Exhibits attached thereto, filed by the Tennessee Insurance Division of the Tennessee Department of Commerce and Insurance (“Division”). This Order is based upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Tennessee insurance law, Tenn. Code Ann. §§ 56-1-101 *et seq.*, 56-2-305, 56-6-103 and 56-6-112 (the “Law”), places the responsibility for the administration of the Law on the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”). The Division is the lawful agent through which the Commissioner discharges this responsibility for the protection of the public.

2. The Division is authorized to bring this action pursuant to Tenn. Code Ann. § 56-2-304, and this action is based on a finding by the Commissioner that public health, safety, or welfare imperatively requires emergency action¹.

3. The Commissioner administers the Law through the Division and authorizes the Division to bring this action for the protection of the public.

4. Respondent Kelsey Ketron (“Respondent”) was, from February 16, 2012, through August 31, 2016, a licensee of the Division who was, and still is, responsible for being compliant with the insurance laws and regulations of the State of Tennessee.

5. The Respondent is a Tennessee resident.

6. The Respondent held Tennessee Resident Insurance Producer License Number 2065767.

7. The Respondent was assigned National Insurance Producer Number 16549252 by the National Insurance Producer Registry (“NIPR”), a service of the National Association of Insurance Commissioners (“NAIC”).

8. Susan Calvin (“Calvin”) purchased a homeowners insurance policy from Universal International Insurance Inc. (“Universal”) in 2015. Her agent and primary point of contact was the Respondent.

9. On August 31, 2016, the Respondent’s insurance producer license expired.

¹ The Law grants the Commissioner authority to issue a cease and desist order upon a finding by the Commissioner that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in an order, a summary cease and desist order may be issued pending proceedings for other actions under this part. These proceedings shall be promptly instituted and determined. Tenn. Code Ann. § 56-2-304.

10. On September 8, 2017, Wells Fargo, Calvin's mortgage holder, contacted the Respondent to verify certain information regarding Calvin's homeowner's insurance policy before issuing the annual premium check for the coming year.

11. The Respondent intentionally misled Wells Fargo, stating that the policy the bank had on file was no longer accurate and the new policy number was Q0000094877. She also told the bank the annual premium for the upcoming year was going to be one thousand six hundred eight dollars and twelve cents (\$1,608.12), the check should be made out to Appalachian Underwriters ("Appalachian") and the check needed to be mailed to the Respondent's business address.

12. On September 11, 2017, Wells Fargo mailed the check in accordance with the Respondent's instructions. The Respondent received and signed for the check at the Respondent's business address on September 12, 2017.

13. In early 2018, Calvin's home suffered water damage due to a frozen pipe bursting. Calvin contacted the Respondent who initially appeared to begin the claims process and even sent workers to Calvin's home to conduct an inspection. However, the Respondent soon stopped providing updates on the claim and then ceased communications with Calvin altogether.

14. In an effort to gather more information about the claim, Calvin contacted Wells Fargo who referred her to Appalachian. Appalachian notified Calvin that the company had no record of any policy for Calvin or for her property address. Calvin also learned that the formatting of the policy number provided by the Respondent to Wells Fargo, Q0000094877, was not the correct format for any policy issued by Appalachian. It was then that Calvin filed her complaint with the Department.

15. On July 23, 2018, the Respondent received and signed for a copy of the Inquisitorial Order issued in this case. On that same day, the Respondent signed and mailed a Universal check to Wells Fargo in the amount of one thousand six hundred eight dollars and twelve cents (\$1,608.12). The check included the written description, "Loan #0156777674 Susan Calvin."

16. On July 30, 2018, Wells Fargo applied the check to Calvin's escrow account. Her account still showed a negative balance, however, due to a charge of one thousand eight hundred ninety-one dollars (\$1,891.00) for "forced place insurance," a direct result of the false statements the Respondent made to Wells Fargo on September 8, 2017.

APPLICABLE LAW

17. At all times relevant hereto, Tenn. Code Ann. § 56-2-304 has provided that:

If the [C]ommissioner finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in an order, a summary cease and desist order may be issued pending proceedings for other actions under this part. These proceedings shall be promptly instituted and determined.

18. At all times relevant hereto, Tenn. Code Ann. § 56-2-305 has provided that, for knowing violations:

(a) If, after providing notice consistent with the process established by § 4-5-320(c) and providing the opportunity for a contested case hearing held in accordance with the Uniform Administrative Procedures Act, compiled in [T]itle 4, [C]hapter 5, [P]art 3, the [C]ommissioner finds that any insurer, person, or entity required to be licensed, permitted, or authorized by the division of insurance has violated any statute, rule or order, the [C]ommissioner may, at the [C]ommissioner's discretion, order:

(1) The insurer, person, or entity to cease and desist from engaging in the act or practice giving rise to the violation;

19. At all times relevant hereto, Tenn. Code Ann. § 56-6-103 has provided that:

A person shall not sell, solicit or negotiate insurance in this state for any class or classes of insurance unless the person is licensed in that line of authority in accordance with this part.

20. At all times relevant hereto, Tenn. Code Ann. § 56-6-112 has provided that:

(a) The [C]ommissioner may place on probation, suspend, revoke, or refuse to issue or renew a license issued under [T]itle 56, [P]art 6, [C]hapter 1, or issue a civil penalty for any one (1) or more of the following causes:

...
(2) Violating any law, rule, regulation, subpoena or order of the [C]ommissioner or of another state's commissioner;

...

(4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;

...

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

...

(e) The [C]ommissioner shall retain the authority to enforce this part and impose any penalty or remedy authorized by this part and this title against any person who is under investigation for or charged with a violation of this part or this title, even if the person's license has been surrendered or has lapsed by operation of law.

...

(g) If . . . the [C]ommissioner finds that any person required to be licensed, permitted, or authorized by the division of insurance pursuant to this chapter has violated any statute, rule or order, the [C]ommissioner may, at the [C]ommissioner's discretion, order:

(1) The person to cease and desist from engaging in the act or practice giving rise to the violation;

CAUSES OF ACTION

21. The Commissioner finds that public health, safety, and welfare imperatively requires this emergency action, and that it is necessary for the protection of Tennessee insurance consumers, pursuant to Tenn. Code Ann. § 56-2-304. In addition, the Commissioner finds that prior notice to the Respondent of this cease and desist order would not have been in the public interest and detrimental to the protection of Tennessee insurance consumers.

Unlicensed Insurance Solicitation, Sales, and Negotiation

22. The Commissioner finds that the evidence that the Respondent has falsely held herself out to be a licensed insurance agent and falsely negotiated insurance in Tennessee without being licensed to do so is sufficient under Tenn. Code Ann. §§ 56-2-304 and 56-6-103 for the entry of an Order to Cease and Desist all insurance related activities.

Misappropriation

23. The Commissioner finds that the evidence that the Respondent intentionally misappropriated a consumer's homeowners insurance premium check is sufficient under Tenn. Code Ann. §§ 56-2-304 and 56-6-112(a)(4) for the entry of an Order to Cease and Desist all insurance related activities.

Fraudulent Practices

24. The Commissioner finds that the evidence that the Respondent intentionally provided incorrect insurance information to a consumer's bank for the sole purpose of personal financial gain, effectively cancelled the consumer's homeowners insurance policy without the consumer's authorization, and lied to the consumer about the existence of the homeowners insurance policy is sufficient under Tenn. Code Ann. §§ 56-2-304 and 56-6-112(a)(8) for the entry of an Order to Cease and Desist all insurance related activities.

The Ongoing Unlawful Conduct of the Respondent Warrants the Issuance of an Order to Cease and Desist

25. The ongoing unlawful conduct of the Respondent necessitates an Order to Cease and Desist all such unlawful activity to prevent the Respondent from continuing to engage in insurance related activities while not being properly licensed, closing insurance policies without the policyholders' knowledge or consent, misleading consumers with regard to the existence of their insurance policies, and misappropriating premium payments.

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

1. The Respondent **SHALL COMPLY** with the Law and all rules promulgated thereunder.
2. The Respondent **SHALL CEASE AND DESIST** any further insurance related activity in the State of Tennessee until such time as she is effectively licensed by the Division to engage in such activity.
3. Any persons aiding or otherwise acting in concert with the Respondent, and any successor entities or individuals, **SHALL IMMEDIATELY CEASE AND DESIST** from any and all insurance related activities, including but not limited to, the solicitation, sale, or negotiation of insurance until such time as the Respondent is effectively licensed by the Division to engage in such activity.
4. This Order to Cease and Desist is not intended to prohibit any lawful conduct in which the Respondent might be engaged.
5. Entry of this Order to Cease and Desist shall not in any way restrict the Division or the Commissioner from taking further action with respect to these or other possible violations of the Law, or any of the rules promulgated thereunder, by the Respondent.

6. The Respondent is advised that she has the right to a hearing as to all matters raised in this Order to Cease and Desist. If the Respondent wishes to exercise her right to a hearing, please notify:


**MICHAEL HUMPHREYS
ASSISTANT COMMISSIONER FOR INSURANCE
STATE OF TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
DAVY CROCKETT TOWER
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243**

Such request must be received within thirty (30) days from the date of entry of this Order to Cease and Desist. This Order to Cease and Desist shall become a final Order thirty (30) days from the date of its entry, unless written notification requesting a hearing is made within that thirty (30) day period.

ENTERED this 29th day of May, 2019.

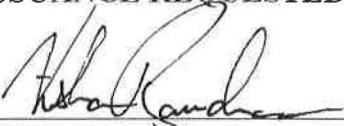

Julie Mix McPeak, Commissioner

APPROVED FOR ENTRY:



Michael Humphreys
Assistant Commissioner for Insurance
Department of Commerce and Insurance

ISSUANCE REQUESTED BY:



Vishan J. Ramcharan (BPR# 034403)
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Department of Commerce and Insurance
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