

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE
CAUSE NO: 11638-AG13-0104-003

IN THE MATTER OF:)
)
KAREN RAINEY)
PO Box 792)
Brownsburg, IN 46112)
)
Resident Producer License #: 1518810)
)
Type of Agency Action: Enforcement)
)

FILED
JUN 14 2013
STATE OF INDIANA
DEPT. OF INSURANCE

AGREED ENTRY

This Agreed Entry is executed by and between the Indiana Department of Insurance (“Department”), by counsel, and Karen Rainey (“Rainey”), an Indiana resident insurance producer. This Agreed Entry is subject to the review and approval of the Commissioner of the Department.

WHEREAS, Rainey is a resident of Indiana;

WHEREAS, Rainey is a licensed insurance producer holding license number 1518810;

WHEREAS, on or about October 9, 2012, the Department received a complaint from Mary Anne Wood (“Wood”). Wood alleged Rainey failed to properly obtain auto and homeowner’s insurance policies for her although Wood had completed applications and made premium payments to Rainey;

WHEREAS, Rainey admits she failed to timely remit Wood's applications and premiums to the underwriting company, Auto-Owners Insurance Company ("Auto-Owners");

WHEREAS, after an audit of Rainey's book of insurance business and bank account, it was determined that:

1. On or about September 27, 2012, Metlife Home Loans, on behalf of James Underwood, paid one thousand six hundred thirty-six dollars (\$1,636.00) to Rainey for Mr. Underwood's homeowner's policy premium. Rainey only submitted eight hundred thirteen dollars (\$813.00) to State Auto Insurance Company ("State Auto"). Rainey failed to remit the remaining eight hundred twenty-three dollars (\$823.00) to State Auto.
2. On or about November 19, 2012, Frances Tracey paid one thousand five hundred and seven dollars (\$1507.00) to Rainey for premium due on her farmowner's policy with State Auto. Rainey only submitted eight hundred seventy-five dollars (\$875.00) of the premium to State Auto. Rainey failed to remit the remaining six hundred and thirty-two dollars (\$632.00) to the company.
3. On or about November 30, 2012, Aaron Johnson paid one thousand two hundred and ninety-seven dollars (\$1,297.00) to Rainey for payment of his annual homeowner's policy premium. Rainey only submitted six hundred one dollars (\$601.00) to State Auto. Rainey failed to remit the remaining six hundred ninety-six dollars (\$696.00) to the company.
4. On or about March 18, 2013, Claude Bunch paid one thousand seven hundred twenty-nine dollars and ninety-five cents (\$1,729.95) to Rainey for premium payment of

his auto and homeowner's insurance policies. Rainey failed to remit any of the premiums to Auto-Owners.

WHEREAS, The Lon Brown Company, Inc., Rainey's former employer, has worked with State Auto and Auto-Owners to reimburse the consumers for any premiums not submitted to the company by Rainey; and,

WHEREAS, the Department and Rainey desire to settle the issues without a hearing.

IT IS, THEREFORE, NOW AGREED by and between the parties as follows:

1. The Commissioner has jurisdiction over the subject matter of and the parties to this Agreed Entry.
2. This Agreed Entry is executed voluntarily by the parties.
3. Rainey voluntarily and freely waives her right to a public hearing.
4. Rainey voluntarily and freely waives her right to petition for judicial review of this agreement and the Commissioner's Final Order.
5. Rainey agrees to the permanent revocation of her Indiana producer license number 1518810, effective the date the Commissioner signs the Final Order in this matter.
6. The Department agrees to accept Respondent's compliance with the terms of this agreement as full resolution of the issue.
7. Should this Agreed Entry not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Entry by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation in or resolution of these proceedings.

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FINAL ORDER

The Indiana Department of Insurance (“Department”) and Karen Rainey (“Rainey”), a licensed resident Indiana insurance producer, signed an Agreed Entry which purports to resolve all issues involved in the action by the Department regarding Respondent’s license, and which has been submitted to the Commissioner of Insurance (the “Commissioner”) for approval.

The Commissioner, after reviewing the Agreed Entry, finds it has been entered into fairly and without fraud, duress or undue influence, and is fair and equitable between the parties. The Commissioner hereby incorporates the Agreed Entry as if fully set forth herein, and approves and adopts in full the Agreed Entry as a resolution of this matter.

IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. Respondent’s resident insurance producer license number 1518810 is hereby permanently revoked, effective immediately.

ALL OF WHICH IS ORDERED this 14th day of June, 2013.


Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

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KAREN RAINEY
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