

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 9364-AG10-0616-110

Brandon M. Kappes,)
Agent/ Respondent)
)
240 Morse Landing Drive)
Cicero, Indiana 46034)
)
Type of Agency Action: Enforcement)
)
)
Indiana Insurance License No.: 602423

FILED

JUL 19 2010

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER AND APPROVAL


The Indiana Department of Insurance (“Department”) and Brandon M. Kappes, (“Respondent”), 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 Acting Commissioner of Insurance (the “Commissioner”) for approval.

The Acting 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 Acting 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 Acting Commissioner of Insurance:

1. Respondent intentionally misrepresented the terms of an actual or proposed insurance contract or application for insurance.
2. Respondent admits that he used fraudulent and dishonest practices, demonstrating untrustworthiness in the conduct of business in Indiana.
3. Respondent forged another's name to an application for insurance.
4. Respondent's Indiana resident producer's license, number 602423, is Permanently Revoked.

ALL OF WHICH IS ORDERED this 19th day of July 2010.


Stephen W. Robertson,
Executive Director/Acting Commissioner
Indiana Department of Insurance

Distribution:

Nikolas P. Mann
INDIANA DEPARTMENT OF INSURANCE
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Indianapolis, Indiana 46204-2787

Brandon M. Kappes
240 Morse Landing Drive
Cicero, Indiana 46034

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STATE OF INDIANA
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Indiana Insurance License No.: 602423

AGREED ENTRY

This Agreed Entry is entered into by Nikolas P. Mann, attorney for and on behalf of the State of Indiana, Department of Insurance (“Department”), and Brandon M. Kappes (“Respondent”), a licensed Indiana resident insurance producer holding license number 602423, to resolve all matters under Cause Number 9364-AG10-0616-110. This Agreed Entry is subject to the review and approval of Stephen W. Robertson, Executive Director/Acting Commissioner, Indiana Department of Insurance.

WHEREAS, Respondent is a licensed resident insurance producer in the State of Indiana; and

WHEREAS, on May 17, 2010, the Department received a letter from Dana Rewalt, Agency Administration Manager, Farmers Insurance Group, stating that Respondent’s appointments had been cancelled because he mishandled premiums belonging to the company.

WHEREAS, on June 7, 2010, the Department received a letter from Matthew Carr, a Senior Auditor with Farmers Insurance Company, stating that he identified fifty-seven (57) policies in which the insured's primary mailing address was that of the agent's office. Approximately eighty (80) percent of those policies were inactive and the majority of policies were cancelled flat after being in force for less than sixty (60) days. The policies were created and stayed in force long enough to count towards any career agent goal, and then were subsequently cancelled; and

WHEREAS, Farmers Insurance Company Auditing attempted to contact approximately half of the insureds to review their policies. Company Internal Auditing was only able to contact two (2) of the named insureds, who both stated that they were not aware a policy had been written in their name. Applications were not signed by them. Most of the telephone numbers listed for these named insureds were invalid, consisting of disconnected telephone numbers, wrong numbers, were Respondent's office number, or Respondent's personal telephone number. In addition, Respondent had created at least three renter's policies in his own name, despite owning his own home; and

WHEREAS, on March 16, 2010, Respondent met with company officials and admitted that between January 2009 and March 2010, he had created fictitious policies in order to meet career production goals; and


WHEREAS, the Department and Respondent desire to resolve their differences and settle the issues without a hearing;

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

1. The Acting Commissioner has jurisdiction over the subject matter and Respondent in this administrative action.
2. This Agreed Entry is executed voluntarily by the parties.


3. Respondent voluntarily and freely waives his right to a public hearing on the issues in this action.
4. Respondent admitted to Department investigator Mike Herndon that the company's accusations were true, he did create bogus business and did forge insureds' signatures on applications.
5. Respondent committed fraud in the business of insurance by intentionally misrepresenting the terms of proposed applications for insurance.
6. Respondent used fraudulent and dishonest practices, demonstrating untrustworthiness in the conduct of business in Indiana.
7. Respondent forged applicants' signatures on applications for insurance.
8. Respondent agrees to the permanent revocation of his Indiana resident insurance producer license number 602423.
9. The Department agrees to accept Respondent's compliance with the terms of this Agreed Entry as full resolution of this matter.
10. Respondent has carefully read this agreement and fully understands and accepts its terms.

6/29/10
Date Signed



Nikolas P. Mann, Attorney
Indiana Department of Insurance

6/18/2010
Date Signed



Brandon M. Kappes, Respondent

STATE OF INDIANA)
) SS:
COUNTY OF Hamilton)

Before me a Notary Public for Hamilton County, State of Indiana,
personally appeared Brandon M. Kappes and being first duly sworn by me upon his oath,
states that the facts alleged in the foregoing instrument are true. Signed and sealed this
20 day of JUNE 2010.

Cathy Burden
Notary Signature

CATHY Burden
Notary Name Printed

My Commission expires: 6-19-2015

County of Residence: Hamilton

INDIANA DEPARTMENT OF INSURANCE
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