BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

NEBRASKA DEPARTMENT OF INSURANCE

MAY 15 2000

FILED

STATE OF NEBRASKA DEPARTMENT OF INSURANCE,	)	CONSENT ORDER
PETITIONER,	)	
VS.	)	
CHARLES M. BUMGARNER,	)	CAUSE NO. A-1404
RESPONDENT.	)	May 12, 2000 Acct. # 8521 1,000.00 No-Invoice 507-56-4271 Tran# 730465 Bum Garner, Charles Myron N.A

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Manuel Montelongo, and Charles M. Bumgarner ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb.Rev.Stat. §44-101.01 and §44-4001, et seq.

2. Respondent was licensed as an insurance agent under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Charles M. Bumgarner, on April 10, 2000. A copy of the petition was served upon the Respondent at the Respondent's address registered with the Department by certified mail, return receipt requested.

2. The petition alleges that Respondent violated Neb.Rev.Stat. §44-4028(3) as follows:

a. On or about October 21, 1999, Respondent solicited an application for a Bankers Life and Casualty Insurance Company (hereafter "Bankers Life)

Medicare Supplement insurance policy from John Vanosdall of Grand Island, Nebraska, which replaced an existing Medicare Supplement insurance policy;

b. Respondent represented to Vanosdall that the Bankers Life Medicare Supplement insurance policy, which was a standard benefit plan "B," provided the same benefits at a lower premium rate than Vanosdall's existing Blue Cross Medicare Supplement Insurance policy provided. The Blue Cross policy was a standard benefit plan "F";

c. Respondent indicated on the *Notice to Applicant Regarding Replacement of Medicare Supplement Insurance* Form that the Bankers Life replacement coverage would provide "No change in benefits, but lower premiums;" and

d. The Bankers Life provided fewer benefits than Vanosdall's existing Blue Cross insurance policy, and the replacement was not in the best interest of Vanosdall.

3. The Respondent was informed of his right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving his right to a public hearing, Respondent also waives his right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits the allegations contained in the Petition and restated in Paragraph #2 above.

CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes a violation of Neb.Rev.Stat. §44-4028(3).

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, Charles M. Bumgarner, that Respondent shall pay an administrative fine of $1,000 on or before 30 days from the date the Director signs this Order. It is further ordered that if full payment is not received on or before 30 days from the date the Director signs this Order, grounds shall exist for a hearing to be called wherein Charles M. Bumgarner shall show cause why his Nebraska resident insurance agent's license should not be revoked. The Nebraska Department of Insurance shall retain jurisdiction of this

matter for the purpose of enabling the Respondent or the Department to make application for such further orders as may be necessary.

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his or her signature below.

Manuel Montelongo
Attorney for Nebraska
Department of Insurance
941 "O" Street, Suite 400
Lincoln, Nebraska 68508
(402) 471-2201

May 15, 2000
Date

Charles M. Bumgarner
Respondent

May 10 - 2000
Date

Attorney for Respondent

Date

State of Nebraska)
) ss.
County of York)

On this 10th day of MAY, 2000, Charles M. Bumgarner personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.

GENERAL NOTARY-State of Nebraska
SANDY RASMUSSEN
My Comm. Exp. Nov 23, 2002

Sandy Rasmussen
Notary Public

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Charles M. Bumgarner, Cause No. A-1404.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

L. TIM WAGNER
Director of Insurance

5/15/00
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent at Respondent's registered address of 4535 Normal Blvd., Suite 105, Lincoln, Nebraska 68506, by certified mail, return receipt requested on this 15th day of May, 2000.

Stacy Billingsville