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6 **STATE OF WASHINGTON**  
7 **OFFICE OF THE INSURANCE COMMISSIONER**

8  
9 *In the Matter of*

10 **Kara M. Russell,**

11  
12 Licensee.

Order No. 14-0150

13  
14 WAOIC No. 263801  
NPN 8884306

ORDER REVOKING  
LICENSE

15 To:

16 Kara M. Russell  
PO Box 256  
Orting, WA 98360-0256  
17 Karkie2@yahoo.com

18 **IT IS ORDERED AND YOU ARE HEREBY NOTIFIED** that  
19 your Washington State insurance producer license is **REVOKED**,  
20 effective **August 14, 2014**, pursuant to RCW 48.17.530 and RCW  
21 48.17.540(2).

22  
23 **BASIS:**

24 1. Kara Russell holds a Washington resident insurance  
25 producer's license. She has been licensed since August, 2006. At the  
26

1 time of these events, she was affiliated with the Todd D. Russell Insurance  
2 Agency.

3 2. Sentinel Insurance Company, Ltd. is owned by The Hartford  
4 Fire & Casualty Group ("The Hartford").

5 3. In September, 2013, the Washington Office of the Insurance  
6 Commissioner received a complaint from consumers who had a  
7 homeowners' insurance policy with The Hartford.

8 4. In April, 2012, the complainants had notified Ms. Russell, their  
9 insurance producer, that they had moved out of their house at 810 Oak  
10 Street in Milton, WA. They had rented the house to a family member. Ms.  
11 Russell wrote the consumers a renters' policy with The Hartford to cover  
12 their new address in Auburn, WA.

13 5. The Hartford contacted Ms. Russell regarding the new renters'  
14 policy. When The Hartford inquired about coverage on the Oak Street  
15 house, Ms. Russell told the Company that the house was no longer owner-  
16 occupied. The Hartford informed Ms. Russell that it would be non-  
17 renewing the homeowners' policy on the Oak Street house.

18 6. Ms. Russell states that she told The Hartford that the policy  
19 needed to be changed to a dwelling landlord policy. She reported to the  
20 Insurance Commissioner that she filled out a dwelling fire application to  
21 make this change. She was unable to make the change herself because she  
22 was unable to issue dwelling policies from the Todd D. Russell Insurance  
23 Agency; those must be issued by the Company.

24 7. Ms. Russell states she faxed the dwelling fire application to the  
25 Company.  
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1           8.     The consumers received a cancellation notice for the  
2 homeowners' coverage on the Oak Street house, effective May 28, 2012.  
3 However, they believed the cancellation notice simply reflected that Ms.  
4 Russell had written them a new policy on that house, since it was now a  
5 rental. Therefore, they did not seek other coverage.

6           9.     In 2013, the consumers began a refinance of the Oak Street  
7 house. During that process, they learned that the home had not been  
8 insured by The Hartford since May 28, 2012, and that the mortgage  
9 company had force placed hazard insurance on the house, for a premium of  
10 approximately \$5,000.

11          10.    The consumers reported to the Insurance Commissioner that  
12 they contacted Ms. Russell multiple times via email and telephone  
13 regarding this issue. They state that she "continually" assured them, in  
14 writing and through phone conversations, that the Oak Street house had  
15 been insured under a Hartford policy with a premium of \$762 since 2012.  
16 They also state Ms. Russell told them she would fax proof of this Hartford  
17 policy to their mortgage company, but did not do so.

18          11.    The consumers report that Ms. Russell had not responded to  
19 their repeated requests for documentation of this policy until they informed  
20 her that they would be contacting the Insurance Commissioner. It was at  
21 that point that Ms. Russell provided a copy of a purported insurance binder  
22 for coverage on the Oak Street house. The binder was dated June 24, 2013,  
23 and indicated the home had dwelling fire coverage with The Hartford, under  
24 policy number #52RBB4967001.

25          12.    The consumers state that they called The Hartford directly to  
26 request information on this policy, and were told that there is no Hartford

1 policy on the Oak Street property. The consumers gave The Hartford the  
2 policy number listed on the binder, and were told that this is not a Hartford  
3 policy. The consumers subsequently obtained a new policy on the Oak  
4 Street house.

5 13. The Insurance Commissioner contacted Ms. Russell, who  
6 provided a copy of the dwelling fire application dated May 28, 2012, which  
7 appears to include the applicant's signature and Ms. Russell's. Ms. Russell  
8 told the Insurance Commissioner she thought the changes were made by  
9 The Hartford after she sent in the application form, and had no idea there  
10 was a problem until the consumers notified her about the force-placed  
11 insurance. She had not collected any premium for the new dwelling fire  
12 policy because it was billed through the consumers' mortgage company.

13 14. The Insurance Commissioner also contacted The Hartford,  
14 which confirmed that the consumers' former homeowners' policy on the  
15 Oak Street house was not renewed as of May 8, 2012, because the home  
16 was not owner-occupied. The Company confirmed that the consumers had  
17 a Hartford renters' policy on the house they lived in. However, The  
18 Hartford had never received a request – written or verbal – from the Todd  
19 D. Russell Insurance Agency for a rental property policy for a tenant-  
20 occupied home. The Company also stated that the policy number on the  
21 insurance binder provided by Ms. Russell is not a valid policy number, and  
22 the premium on the form was not generated by The Hartford. The Hartford  
23 terminated all appointments with Todd D Russell Insurance Agency as of  
24 September 6, 2013.

25 15. The Insurance Commissioner contacted Ms. Russell by letter  
26 in January, 2014. Ms. Russell responded, acknowledging that she provided

1 a copy of an insurance binder to the consumers' mortgage company. She  
2 stated that, as far as she knew, it was a true and accurate binder because she  
3 had sent The Hartford all the required paperwork and applications. She  
4 stated she had no reason to doubt that a policy was in force. She believed  
5 her error was simply in not following up to ensure the policy was rewritten.

6 16. Via email dated February 11, 2014, the Insurance  
7 Commissioner then asked Ms. Russell to provide additional information.  
8 The email asked Ms. Russell how she had notified The Hartford of the  
9 needed changes, given that The Hartford had no record of a call, letter, or  
10 fax regarding this policy. The Insurance Commissioner also asked Ms.  
11 Russell to provide information about the insurance binder, since The  
12 Hartford denied that it was valid.

13 17. Ms. Russell did not respond.

14 18. The Insurance Commissioner sent a second email request dated  
15 February 27, 2014, giving Ms. Russell until March 4, 2014 to respond.

16 19. Ms. Russell did not respond.

17 20. Finally, in May, 2014, the Insurance Commissioner sent the  
18 email a third time and received a response. Ms. Russell asked whether the  
19 Insurance Commissioner had received her response to the original emails.  
20 The Insurance Commissioner had received no response, although the May  
21 email from Ms. Russell did reach the Insurance Commissioner at the same  
22 address.

23 21. Ms. Russell stated that she wrote a notation "on the back page  
24 of the application" indicating the date she faxed the application to The  
25 Hartford. There is no such notation on any of the pages the Insurance  
26 Commissioner has received, either from Ms. Russell or The Hartford.

1       22. By email May 20, 2014, the Insurance Commissioner  
2 requested a copy of this page. The Insurance Commissioner also asked  
3 follow up questions about where Ms. Russell obtained the policy number on  
4 the purported binder for rental coverage on the Oak Street house.

5       23. Ms. Russell did not respond. To date, no response has been  
6 received.

7       24. By failing to timely respond to an inquiry of the Insurance  
8 Commissioner relative to the business of insurance, Ms. Russell violated  
9 RCW 48.17.475.

10       25. By knowingly making, publishing, or disseminating a false,  
11 deceptive or misleading representation in the conduct of the business of  
12 insurance, or relative to the business of insurance – specifically, stating that  
13 a policy of coverage existed when it did not and fabricating a false binder of  
14 coverage - Ms. Russell violated RCW 48.30.040 and RCW 48.30.090.

15       26. Under RCW 48.17.530(1), the Insurance Commissioner has  
16 authority to place on probation, suspend, revoke, or refuse to renew an  
17 Insurance Producer's license, or may levy a civil penalty, or any  
18 combination of actions, for any one or more of the following causes:

19       (b) Violating any insurance laws, or violating any rule, subpoena, or  
20 order of the commissioner or of another state's insurance  
21 commissioner;

22       (e) Intentionally misrepresenting the terms of an actual or proposed  
23 insurance contract or application for insurance;

24       (g) Having admitted or been found to have committed any insurance  
25 unfair trade practice or fraud; or

26       (h) Using fraudulent, coercive, or dishonest practices, or

1 demonstrating incompetence, untrustworthiness, or financial  
2 irresponsibility in this state or elsewhere.

3  
4 EXECUTED this 24<sup>th</sup> day of July, 2014 in Tumwater, Washington.

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7 MIKE KREIDLER  
8 Insurance Commissioner

9 By and through his designee

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11 

12 Charles Brown  
13 Insurance Enforcement Specialist  
14 Legal Affairs Division

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16  
17 **NOTICE OF YOUR RIGHT TO A HEARING**

18 If you are aggrieved by this Order, RCW 48.04.010 permits you to  
19 demand a hearing. You must demand a hearing in writing within 90 days  
20 after the date of this Order Revoking License or you will waive your right  
21 to a hearing.

22 *If the Insurance Commissioner receives your demand for a*  
23 *hearing before the effective date listed on the order revoking your*  
24 *license, the revocation will be automatically stayed (postponed) and your*  
25 *license will remain in effect pending the hearing.*  
26

1 Your demand for a hearing should be sent to the following address  
2 and must briefly state how you are harmed by this decision and why you  
3 disagree with it:

4 Hearing Unit  
5 Office of the Insurance Commissioner  
6 PO Box 40255  
7 Olympia, WA 98504

8 You will be notified of the time and place of your hearing.

9 If you have questions about filing a demand for hearing or the hearing  
10 process, please telephone the Hearing Unit at (360) 725-7002 or send an  
11 email to HearingsU@OIC.wa.gov.

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On the date given below I caused to be served the foregoing ORDER  
REVOKING LICENSE on the following individual via US mail and  
Email.

Kara M. Russell  
PO Box 256  
Orting, WA 98360-0256  
[Karkie2@yahoo.com](mailto:Karkie2@yahoo.com)

Dated this 14<sup>th</sup> day of July, 2014 in Tumwater, Washington.

Signed by: Christine M. Tribe  
Christine M. Tribe  
Paralegal