

**BEFORE ALLAN L. MCVEY, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA**

In re: Timothy Bugge

Administrative Proceeding No. 23-IC-158604

CONSENT ORDER

In lieu of holding an Administrative Hearing in this matter, the parties hereto have reached an accord and desire an agreed Consent Order to be entered accordingly. Timothy Bugge, Producer License #16826042 understands and agrees that by consenting to this Consent Order he waives all rights to an administrative hearing and to judicial review of this matter. Timothy Bugge understands and agrees that by consenting to this Order he is agreeing to an administrative action being taken against his producer license.

The Insurance Commissioner for the State of West Virginia (hereinafter "Commissioner") believes the entry of this Consent Order is appropriate and in the public interest.

JURISDICTION

The Commissioner has jurisdiction over the subject matter of this action and over Timothy Bugge, pursuant to W.Va. Code §§ 33-12-1, *et seq.*

W.Va. Code §33-12-24(b) states:

(b) The Insurance Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license, solicitor's license or excess line broker's license, or may levy a civil penalty or any combination of actions, for any one or more of the following causes:

(2) Violating any insurance laws, or violating any regulation, subpoena or order of the insurance commissioner or of another state's Insurance

Commissioner;

...
(8) Having admitted or been found to have committed any insurance unfair trade practice or fraud;

[or]

(9) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]

Pursuant to W.Va. Code § 33-12-24(e), in addition to or in lieu of any applicable denial probation, suspension or revocation of a license, a person may, after hearing, be subject to a civil penalty not to exceed Five Thousand Dollars (\$5,000.00) per violation.

Finally, W. Va. Code § 33-11-4(11) provides that it shall be an unfair trade practice for a person to “make false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commissioner, money or other benefit from any insurer, agent, broker, or individual.”

APPLICABILITY

This consent order applies to Timothy Bugge Producer License #16826042, issued pursuant to Chapter 33, Article 12 of the West Virginia Code.

EFFECT ON THIRD PARTIES

This consent order does not vest standing in any third party with respect to the terms hereof, nor create for any person, other than the parties hereto, a right to enforce its terms.

ALLEGED FACTS

In December of 2023, the Commissioner received a termination for cause letter from American Income Life Insurance Company (“AIL”) regarding Timothy Bugge. AIL alleged that Mr. Bugge submitted forty insurance applications that contained false information. AIL found

that all information (bank account information, social security numbers, names, dates of birth, addresses, and phone numbers) on these applications were invalid. AIL further alleged that Mr. Bugge submitted these applications throughout 2023. Finally, AIL noted that "DocuSign" verification for some of these applications "shows a similar IP address used."

In November of 2023, AIL confronted Mr. Bugge, and Mr. Bugge admitted that he submitted applications with invalid information. Mr. Bugge admitted that he falsified the applications "to stay competitive and relevant after basically taking a year off in 2022."

AGREED ACTION

By executing this Consent Order, Timothy Bugge does not contest the allegations and consents to the entry of this order against him. Without admitting to the substance of the allegations, Mr. Bugge acknowledges that the Insurance Commissioner has amassed such evidence that the Commissioner might prevail at a hearing against him resulting in the revocation or suspension of his license and the imposition of a civil fine or penalty pursuant to W.Va. Code § 33-12-24(e). Accordingly, Timothy Bugge consents to the revocation of his resident producer license and a monetary fine of One Thousand (\$1,000.00) dollars.

FINAL DISPOSITION

This Consent Order shall constitute the final disposition of Commissioner's administrative proceeding 23-IC-158604.

MISCELLANEOUS PROVISIONS

Jurisdiction of this case is retained for enforcement of this consent order. Any party hereto may apply to the Commissioner for such further orders and directions as may be necessary or appropriate for the construction and enforcement of this consent order. The remedies in this consent order are cumulative and in addition to any other remedies the Insurance


Commissioner may have at law or equity. Nothing herein shall be construed to prevent the Commissioner from bringing any action for conduct not released hereunder, even though that conduct may also violate this consent order.

Timothy Bugge understands that this is an action taken against his license and will be reported to the RIRS database maintained by The National Association of Insurance Commissioners (NAIC).

ORDER

WHEREFORE, based upon the foregoing, it is the finding of the Insurance Commissioner that Timothy Bugge violated W.Va. Code §§ 33-11-4(11), 33-12-24(b)(2), 33-12-24(b)(8), and 33-12-24(b)(9). It is, therefore, further **ORDERED** that Timothy Bugge's resident producer license be revoked and that he shall be assessed a penalty to the State of West Virginia in the amount of One Thousand Dollars within thirty (30) days of the date of this Order.

Entered on this 16 day of April 2024.


ALLAN L. MCVEY, CPCU, ARM, AAI, AAM, AIS
INSURANCE COMMISSIONER

Agreed To:


Timothy Bugge NPN 16826042

On Behalf of the
West Virginia Insurance Commissioner


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