

BEFORE THE DIVISION OF INSURANCE  
DEPARTMENT OF LABOR AND REGULATION  
STATE OF SOUTH DAKOTA

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IN THE MATTER OF	)	
PICKARD, INC. d/b/a	)	CONSENT ORDER
PICKARD INSURANCE SERVICES, INC.	)	
AND ALLEN PICKARD	)	

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In resolution of the above titled matter and in lieu of a Notice of Hearing and formal insurance license revocation proceeding, the undersigned parties do hereby agree to the following:

ALLEN PICKARD and PICKARD, INC., d/b/a PICKARD INSURANCE SERVICES, INC. (“RESPONDENTS”) have an address of record of PO Box 465, Volga, SD 57071-0465. RESPONDENTS hold resident insurance producer licenses in the State of South Dakota;

RESPONDENTS are aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation;

The Division alleges the following with regard to RESPONDENTS:

- 1) RESPONDENTS have been named Defendants in eight South Dakota civil lawsuits since 2019 alleging negligence and/or fraud;
- 2) ALLEN PICKARD was suspended from selling federal crop insurance by the Risk Management Authority of United States Department of Agriculture (“RMA”) on March 12, 2021;
- 3) The lawsuits and suspension resulted from ALLEN PICKARD selling Whole Farm Revenue Protection (“WFRP”) under the Federal Crop Insurance Act as an agent of PICKARD INSURANCE SERVICES, INC.;
- 4) In selling WFRP, RESPONDENTS overstated coverage to prospective insureds, utilized invalid practices in application preparation, failed to disclose a conflict of interest, had an incomplete knowledge of the policies being sold, and made unauthorized reversions of policy information;
- 5) RESPONDENTS reached settlement agreements in the civil lawsuits and with the RMA;
- 6) The civil settlements provide for confidential payments to the plaintiffs and dismissal of their claims;
- 7) The RMA settlement provides for certain training and compliance procedures and a one-time \$11,000 payment to the Federal Crop Insurance Corporation (“FCIC”);
- 8) RESPONDENTS’ actions harmed South Dakota agricultural producers through policies that were not in compliance with the WFRP program, causing policy cancellation and loss of expected benefits;

9) RESPONDENTS' conduct described herein amounts to violations of SDCL 58-30-167(2), (8), and (9), SDCL 58-33-6, and SDCL 58-33-37, and constitutes grounds to suspend or revoke RESPONDENTS' insurance producer licenses.

RESPONDENTS are aware of and understand the nature of these allegations. They have been informed that they have a right to a Notice of Hearing, a formal hearing contesting the allegations, and to be represented by counsel in connection thereto, and that by agreeing to this Consent Order they waive these due process rights;

By the execution of this Consent Order and the payment of a penalty pursuant to this Consent Order, RESPONDENTS neither admit nor deny any violations of the laws of the State of South Dakota, but waive the right to contest the allegations contained in this Consent Order in any future actions or licensing procedures with the Division;

In return for RESPONDENTS agreeing to and complying with the provisions of this Consent Order, the Division agrees not to initiate proceedings to revoke or suspend RESPONDENTS' South Dakota resident insurance producer licenses for the allegations outlined above, and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL 1-26-20;

RESPONDENTS agree to pay a monetary penalty in the amount of \$15,000 pursuant to SDCL 58-4-28.1, for which they are jointly and severally liable, in lieu of contesting the matter formally; and

RESPONDENTS further agree that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or any Order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that RESPONDENTS pay a monetary penalty in the amount of \$15,000, for which they are jointly and severally liable, which is to be payable to "South Dakota Division of Insurance" and submitted with this completed Consent Order for deposit in the General Fund of the State of South Dakota; and it is further

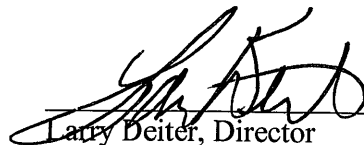
ORDERED that RESPONDENTS abide by the agreements made by them in this Consent Order; and it is further

ORDERED that should RESPONDENTS fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of RESPONDENTS' licenses at hearing pursuant to SDCL 58-30-167 and Chapter 1-26, or seek other remedies available at law; and it is further

ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further

ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 30<sup>th</sup> day of August, 2021.

  
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Larry Deiter, Director  
South Dakota Division of Insurance


I have read and understand the terms of this Consent Order, including the waiver of my due process rights, and voluntarily agree to them.

Dated this 23 day of Aug, 2021.

  
\_\_\_\_\_  
Allen Pickard

The undersigned, on behalf of PICKARD, INC., d/b/a PICKARD INSURANCE SERVICES, INC., represents that it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enters into this Consent Order.

Dated this 25 day of Aug, 2021.

  
\_\_\_\_\_  
Signature of Authorized Representative  
Allen  
\_\_\_\_\_  
Printed Name  
SCL  
\_\_\_\_\_  
Title