



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

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**FLUD INSURANCE AND BUSINESS
MANAGEMENT; MARY MARGARET
FLUD,**

Respondents.

CAUSE NO.: 19.0024

**ORDER OF SUMMARY
SUSPENSION OF LICENSES
PURSUANT TO NRS 233B.127(3)**

The State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) is informed and believes that licensees Mary Margaret Flud, Resident Producer License No. 20852 (“Flud”), and Flud Insurance and Business Management, Resident Producer Firm License No. 17829 (“Flud Insurance”), sometimes referred to collectively herein as “Flud,” have committed serious violations of the Nevada Revised Statutes (“NRS”) and Nevada Administrative Code (“NAC”) regulating the business of insurance, as well as civil and criminal statutes. Flud’s Resident Producer License No. 20852 technically expired on April 1, 2019, although it is still classified as active pending the expiration of a 30-day period during which licensees may renew their license by paying a certain late fee. Flud Insurance’s Resident Producer Firm License No. 17829 expires on May 1, 2019, if not renewed.

On December 10, 2018, the Division received a consumer complaint from a long-time Flud client (the “Client”). The Client discovered that while it had paid premiums to Flud for seven years, the premiums were not remitted by Flud to the insurer, First Financial Insurance Company (“First Financial”), leaving the Client uninsured.

Soon after receiving the complaint from the Client, the Division received an anonymous email sent from Flud’s email account claiming that Mary Flud had been planning to close her insurance business at the beginning of 2019, **REDACTED BY DOI**, and the business records were being destroyed. See, Anonymous Email, attached hereto as Exhibit A.

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1 To prevent the further destruction of records, the Division issued a Cease and Desist Order
2 to Flud on January 24, 2019, ordering the preservation of insurance records and asking for
3 additional information regarding the matter. See, Cease and Desist Order, attached hereto as
4 Exhibit B.

5 Division investigators discovered bank account numbers for some of Flud's accounts at
6 Wells Fargo Bank. On March 15, 2019, the Division issued a Subpoena Duces Tecum to Wells
7 Fargo requesting all of Flud's bank records in Wells Fargo's possession dating back to 2012.

8 A review of Flud's bank records reveals a serious trend: There are very few transfers of
9 funds, by any means, to insurers. According to the review performed by Division Investigator
10 John Parnell, \$1.33 million in insurance premiums were deposited into Flud's account, but only
11 \$250,000 was shown as remitted to insurers; a shortfall of \$1,080,000. Additionally, the bank
12 records show a large number of withdrawals from the Wells Fargo account, both in number and
13 amount, done at casinos in Las Vegas; approximately \$600,000 in casino ATM withdrawals over
14 the seven-year period. See, Affidavit of John Parnell, attached hereto as Exhibit C.

15 The Cease and Desist Order issued on January 24, 2019, ordered Flud to provide the
16 Division with the location of all of its business records and bank account numbers. As of the date
17 of this Order for Summary Suspension, Flud has failed to contact the Division. Moreover, the
18 Division sent a return email after receiving the above-referenced anonymous email, but Flud, nor
19 anyone else on her behalf, has responded.

20 According to the Division's records, Flud does not appear to employ any other people;
21 neither licensed producers nor unlicensed employees, who can respond to the Division or manage
22 Flud's business.

23 **FINDING AND ORDER**

24 NRS 233B.127(3) states, in pertinent part, as follows:

25 If an agency finds that public health, safety or welfare imperatively require
26 emergency action, and incorporates a finding to that effect in its order, summary
27 suspension of a license may be ordered pending proceedings for revocation or other
28 action . . . Proceedings relating to the order of summary suspension must be
instituted and determined within 45 days after the date of the order unless the
agency and the licensee mutually agree in writing to a longer period.


1 Based on the foregoing, it is hereby found that sufficient evidence exists to form a
2 reasonable belief as to the truth of the alleged offenses such that allowing Mary Flud to continue
3 to conduct business in the capacity of a Resident Producer, and Flud Insurance and Business
4 Management to do business in the capacity of a Resident Producer Firm would endanger public
5 safety and welfare. Therefore, emergency action to immediately suspend the licenses of Mary
6 Flud and Flud Insurance and Business Management pursuant to NRS 233B.127(3) is warranted.

7 NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

- 8 1. The Resident Producer License of Mary Flud, License No. 20852, is immediately
9 suspended pursuant to NRS 233B.127(3).
- 10 2. The Resident Producer Firm License of Flud Insurance and Business Management,
11 License No. 17829, is immediately suspended pursuant to NRS 233B.127(3).
- 12 3. A hearing relating to this Order of Summary Suspension must be instituted and
13 determined within 45 days after the date of this Order unless the Division and Flud
14 mutually agree in writing to a longer period. The hearing will be conducted in
15 accordance with NRS Chapter 233B, NRS 679B, and NAC 679B.

16 IT IS SO ORDERED this 9th day of April, 2019.

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18 BARBARA D. RICHARDSON
19 Commissioner of Insurance

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21 By: LAURIE SQUARTSOFF
22 Chief Deputy Commissioner of
23 Insurance, with Delegation of
24 Authority
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STEPHEN F. SISOLAK
Governor

STATE OF NEVADA

MICHAEL BROWN
Director

BARBARA D. RICHARDSON
Commissioner



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TO: LAURIE SQUARTSOFF
Chief Deputy Commissioner of Insurance

FROM: BARBARA RICHARDSON
Commissioner of Insurance

DATE: April 1, 2019

SUBJECT: Delegation of Authority in the Commissioner's Absence

I hereby issue a Delegation of Authority for you to act on my behalf when I am absent from the state April 4, 2019 through April 9, 2019. You are empowered to exercise all authority necessary to handle matters coming before the Division of Insurance, unless otherwise delegated.


BARBARA D. RICHARDSON
Commissioner of Insurance

NRS 679B.110 Delegation of powers.

1. The Commissioner may delegate to his or her deputy, examiner or an employee of the Division the exercise or discharge in the Commissioner's name of any power, duty or function, whether ministerial, discretionary or of whatever character, vested in or imposed upon the Commissioner.

2. The official act of any such person acting in the Commissioner's name and by his or her authority shall be deemed an official act of the Commissioner.

(Added to NRS by 1971, 1563; A 1991, 1615; 1993, 1898)