

No. 2021-7037

**Official Order
of the
Texas Commissioner of Insurance**

Date: 11/05/2021

Subject Considered:

2021 Training, LLC

Plano, Texas 75023

Consent Order
TDI Enforcement File No. 27349

General remarks and official action taken:

This is a consent order with 2021 Training, LLC (2021 Training). 2021 Training failed to implement sufficient procedural safeguards or audit mechanisms to ensure test certification forms submitted by its course takers were accurate and truthful. As a result, 2021 Training issued certificates of completion to students who used unauthorized materials or assistance during adjuster pre-licensing examinations. These students in turn provided, submitted, or filed incorrect or misleading records to the Texas Department of Insurance (TDI) regarding students' course and exam completion. 2021 Training has agreed to pay a \$15,000 administrative penalty and submit a corrective action plan to TDI.

Waiver

2021 Training acknowledges that the Texas Insurance Code and other applicable law provide certain rights. 2021 Training waives all these rights, and any other applicable procedural rights, in consideration of the entry of this consent order. Pursuant to TEX. INS. CODE § 82.055(b), 2021 Training agrees to this consent order with the express reservation that it does not admit to a violation of the Texas Insurance Code or of a rule and that the existence of a violation is in dispute.

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Findings of Fact

Licensure and Background

1. 2021 Training is registered with TDI as a pre-licensing education and continuing education provider under provider identification number 65959.

Occurrence of Exam Taking Improprieties at National Indemnity Company

2. In 2019, certain employees of National Indemnity Company (NICO) enrolled in and completed 2021 Training's adjuster pre-licensing course for Texas.
3. As found and concluded in Commissioner's Order No. 2021-6958, NICO's employees engaged in various examination and proctoring improprieties, and NICO made or placed before the public false student records regarding the proper completion of adjuster pre-licensing courses and examination requirements.

Student Records Filed with TDI

4. For all such instances in which examination and proctoring improprieties occurred among NICO employees, documentation attesting to the purported honest and proper completion and proctoring of such examinations was submitted to 2021 Training.
5. 2021 Training then issued certificates of completion to the NICO employees, who in turn, provided, submitted, or filed incorrect or misleading student records to TDI to acquire adjuster licenses.
6. With respect to NICO employees, 2021 Training did not employ sufficient procedural safeguards or audit mechanisms to ensure NICO employees honestly and properly took and completed the examinations for adjuster pre-licensing courses.

2021 Training's Mitigation

7. 2021 Training represents it had no direct or indirect knowledge that NICO's employees engaged in any cheating, took the examinations with deficient proctoring or monitoring, or submitted incorrect or misleading certifications to 2021 Training. Further, 2021 Training represents it did not knowingly issue

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completion certificates to students who cheated or engaged in the examination improprieties.

8. As part of its continuing efforts to improve its operations, 2021 Training implemented certain improvements to its procedures and policies in November 2019.
9. Specifically, 2021 Training began conditioning the release of a student's Certificate of Completion on the submission of a signed, notarized exam monitor affidavit in an effort to emphasize the importance of complying with the rules when taking the course examination.
10. Additionally, 2021 Training began maintaining a repository of these completed affidavits, whereas previously it had been each student's responsibility to maintain such documentation.
11. Finally, 2021 Training revised its student course instructions in October 2021 to specifically and unequivocally prohibit students from engaging in cheating and other test improprieties.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 4004.101–4004.105, and 4101.054–4101.055, and 28 TEX. ADMIN. CODE §§ 19.1005, 19.1014(f), 19.1015, and 19.1017.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. 2021 Training has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.

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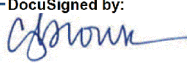
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4. 2021 Training violated 28 TEX. ADMIN. CODE §§ 19.1015(b)(8) and 19.1017(f) by issuing certificates of completion or attendance when students had not met the minimum completion requirements.
5. 2021 Training violated 28 TEX. ADMIN. CODE §§ 19.1015(b)(13) and 19.1017(e) by failing to ensure an appropriately monitored examination where monitoring was required.
6. 2021 Training violated 28 TEX. ADMIN. CODE §§ 19.1015(b)(14) and 19.1017(e) by allowing the use of unauthorized materials or assistance during adjuster pre-licensing examinations.

Order

It is ordered that 2021 Training, LLC must continue with the mitigative efforts it has already voluntarily undertaken to prevent the filing or submission of false, incorrect, or misleading documentation to TDI, including conditioning the release of a student's certificate of completion on the submission of a signed, notarized exam monitor affidavit and maintaining a repository of all such completed affidavits.

It is further ordered that 2021 Training, LLC pay an administrative penalty of \$15,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

DocuSigned by:

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Cassie Brown
Commissioner of Insurance

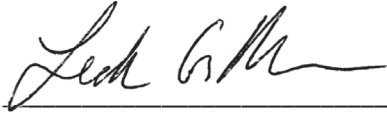
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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division



Kaycee Crisp, Staff Attorney
Enforcement Division

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Affidavit

STATE OF TEXAS §

§

COUNTY OF DALLAS §

Before me, the undersigned authority, personally appeared Dave Kaltenbach, who being by me duly sworn, deposed as follows:

"My name is Dave Kaltenbach. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

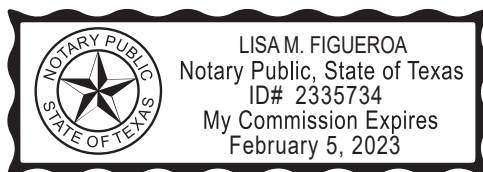
I hold the office of Owner and am the authorized representative of 2021 Training, LLC. I am duly authorized by said organization to execute this statement.

2021 Training, LLC has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."


Affiant

SWORN TO AND SUBSCRIBED before me by means of an interactive two-way audio and video communication on October 22, 2021, by Dave Kaltenbach. This notarial act was an online notarization.

Notary Seal



Digital Certificate

