

IMPORTANT: Chargebacks, Vectors, & Financial Fraud | Please Read ALL Of This Memo BEFORE Proceeding!

To All New Agents Joining Or Thinking About Joining Duford Insurance Group:

Due to an increase in commission chargeback & Vector problems with new and existing agents, Duford Insurance Group is instituting the following:

- **Pre-Existing Vector Balance:** Any agent with a pre-existing Vector balance *will not* be allowed to join Duford Insurance Group *until that balance is entirely paid off*.
- **New Vector Notifications As A DIG Agent :** At any time while appointed with DIG, any agent that triggers a Vector hit from a carrier associated with DIG *or not associated* with DIG, will immediately lose *all* advanced commission privileges until the Vector balance is *paid in full*.
- **Suspected Fraud Will Be Aggressively Prosecuted:** Any agents suspected of fraudulently completing applications and attempting financial fraud and against DIG and associated carriers will be aggressively prosecuted. See the example cases below of an agent incarcerated for multiple years due to fraud, and current actions we're taking against other agents committing fraud.

Frequently Asked Questions About Vector, Chargebacks, & Financial Fraud

What Is Vector-One?

[Vector-One](#) is a reporting service that all insurance agents are referred to **if they do not pay their chargeback balances due to lapses, etc., in a timely fashion.**

Vector serves an important function in that it filters out agents who refuse responsibility in paying back charge backs. An agent referred to Vector-One:

- Effectively eliminates them from obtaining future appointments with other carriers, and,
- Virtually eliminates commission advancing from all current appointments until the balance with Vector is paid in full.

All carriers partnered with DIG, including Duford Insurance Group, subscribe to Vector's services and are notified immediately when an agent has been referred to Vector-One.

How do chargebacks work?

Chargebacks are commission reversals you're required to repay back to the carrier due to lapsed coverage.

All agents have chargebacks and are expected to cover them. You can either do this through:

1. Writing new business to cover the chargeback, or,
2. Through direct repayment via a check or credit/debit card payment.

An agent refusing to pay chargebacks becomes the responsibility of the upline, meaning Duford Insurance Group must take full responsibility for any unpaid chargebacks.

This financing risk DIG carries is the motivation behind the new guidelines mentioned above.

I have an existing chargeback balance with another carrier not with DIG.
Can I still join DIG?

As long as you actively keep the chargeback out of Vector, you're welcome to join DIG.

However, if the chargeback is referred to Vector, we will immediately remove *all* commission advancing from your appointments until the Vector is *completely paid off*.

I am currently making payments on a Vector-One balance accrued through another organization. Can I still join DIG?

You can join Duford Insurance Group *as soon as the Vector balance is paid off entirely*.

We do not accept agents that owe any sort of Vector balance under any circumstances.

Explain how DIG handles an agent with chargebacks accrued directly with a carrier associated with DIG.

As soon as we're notified that you have uncovered chargebacks, David or one of his staff will reach out to you to learn more about the situation.

While each situation is unique, our expectation is you agree to a firm deadline on how you will cover the chargeback, either through writing new business or by writing a check.

Agents who:

1. Do not communicate their intentions to pay back debt, or,
2. Fail to fulfill their repayment obligations by the agreed-upon deadline,

Will have either advances on all carriers shut off immediately, or will be terminated immediately, with no exceptions.

Please explain past and current legal actions Duford Insurance Group & associated carriers with DIG have taken to fight back against agent fraud.

Duford Insurance Group & associated carriers aggressively pursue *any* agent who appears to have committed financial fraud for the purpose of ill-gotten gain.

Here are examples of recent cases we're pursuing or have successfully prosecuted:

1. **Eight Years Incarceration.** An agent committed financial fraud using one of our final expense carriers, and the State Of Illinois successfully prosecuted this agent to spend 8 years in a state penitentiary. [See the redacted sentencing judgment for details.](#)
2. **Forgery In Mississippi.** An agent forged documents on a final expense plan for a prospect who was in hospice care and mentally incapable of completing the application. We have obtained notarized evidence from the victim's spouse that this did in fact happen and reported the agent to local authorities. Our goal is to lobby the state's Department Of Insurance to strip this agent of his license and to get local authorities to press charges.
3. **Fraud In New Jersey.** We have evidence of forgery and financial fraud committed against innocent members of the public and against a well-known insurance company. We are currently building a case to prosecute this agent in partnership with local authorities and the state's Department of Insurance.

In short, we aggressively pursue and prosecute any and all evidence of financial fraud committed against DIG, partner carriers, and against the public.

Last Words

As long as you are an honest, ethical agent who takes responsibility for repaying chargeback debts, then you have a home here at Duford Insurance Group, and we welcome you with open arms.

However, agents displaying financially irresponsible behavior and not honoring their financial/advancing obligations, should consider finding another agency to join instead.

DIG has a zero-tolerance policy for agents refusing to repay chargeback debt or for agents who entertain financial fraud.