



## State of Missouri

### DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS & PROFESSIONAL REGISTRATION

IN RE:

Hugh D. Ritchey

Applicant.

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Case No. 110926701C

#### ORDER REFUSING TO ISSUE NON-RESIDENT INSURANCE PRODUCER LICENSE

On January 23, 2012, the Consumer Affairs Division submitted a Petition to the Director alleging cause for refusing to issue a non-resident insurance producer license to Hugh D. Ritchey. After reviewing the Petition, the Investigative Report, and the entirety of the file, the Director issues the following findings of fact, conclusions of law, and summary order.

#### FACTUAL BACKGROUND

1. Hugh D. Ritchey ("Ritchey") is an individual residing in Tennessee whose residence and mailing address is 6955 Harvest Run Drive, Harrison, Tennessee 37341.
2. On or about January 12, 2011, the Tennessee Insurance Commissioner suspended Ritchey's Tennessee insurance producer license because Ritchey was not in compliance with a child support order. *Tennessee Insurance Division v. Hugh Ritchey*, No. 10-102 ("Tennessee Suspension").
3. On or about April 8, 2011, the Department of Insurance, Financial Institutions and Professional Registration ("Department") received an electronic Uniform Application for Individual Insurance Producer License ("Application") from Ritchey.
4. In the section of the Application headed "Background Questions," Background Question #2 asks:

Have you ever been named or involved as a party in an administrative proceeding regarding any professional or

occupational license or registration?

"Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation or surrendering a license to resolve an administrative action.

"Involved" also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license.

"Involved" also means having a license application denied or the act of withdrawing an application to avoid a denial.

INCLUDE Any business so named because of your actions, in your capacity as an owner, partner, officer, director, or member or manager of a Limited Liability Company.

You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

5. Ritchey answered "No" to Background Question #2. Ritchey did not disclose the Tennessee Suspension on his Application.
6. On June 17, 2011, the Colorado Division of Insurance denied Ritchey's application for a non-resident insurance producer license because Ritchey:
  - a. Provided incorrect, misleading, incomplete, or materially untrue information in the license application;
  - b. Obtained or attempted to obtain a license through misrepresentation or fraud;
  - c. Used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility;
  - d. Failed to meet licensing requirements;
  - e. Failed to disclose the Tennessee license suspension; and
  - f. Failed to respond to a Colorado Division of Insurance letter.

Colorado License Denial, Case File No. 232693.

7. On August 19, 2011, Consumer Affairs Division Special Investigator E.J. Jackson ("Jackson") sent a letter to Ritchey at his mailing address with sufficient postage attached. Jackson's letter inquired into Ritchey's

licensing history and child support issues and required a response by September 1, 2011. The letter was not returned as undeliverable. Ritchey never provided a written response or justification for a delayed response.

#### JURISDICTION AND STATUTORY GROUNDS FOR REFUSAL

8. Section 375.141.1 RSMo Supp. 2011,<sup>1</sup> provides, in part:

The director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for any one or more of the following causes:

- (1) Intentionally providing materially incorrect, misleading, incomplete or untrue information in the license application;
- (2) Violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state;
- (3) Obtaining or attempting to obtain a license through material misrepresentation or fraud;

\* \* \*

- (9) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory[.]

9. Title 20 CSR 100-4.100(2)(A) Required Response to Inquiries by the Consumer Affairs Division, provides:

(2)(A) Upon receipt of any inquiry from the division, every person shall mail to the division an adequate response to the inquiry within twenty (20) days from the date the division mails the inquiry. An envelope's postmark shall determine the date of mailing. When the requested response is not produced by the person within twenty (20) days, this nonproduction shall be deemed a violation of this rule, unless the person can demonstrate that there is reasonable justification for that delay.

10. "There is a presumption that a letter duly mailed has been received by the addressee." *Clear v. Missouri Coordinating Bd. for Higher Educ.*, 23

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<sup>1</sup> All statutory references are to the 2011 Supplement to the Revised Statutes of Missouri, unless otherwise indicated.

S.W.3d 896, 900 (Mo. App. 2000) (internal citations omitted).

11. The principal purpose of §375.141 is not to punish licensees or applicants, but to protect the public. *Ballew v. Ainsworth*, 670 S.W.2d 94, 100 (Mo. App. 1984).
12. Ritchey may be refused a non-resident insurance producer license pursuant to §375.141.1(1), because by answering "No" to Background Question #2, Ritchey intentionally provided materially incorrect, misleading, incomplete or untrue information on his Application. Ritchey's answer to Background Question #2 was materially incorrect, misleading, incomplete, or untrue in that he had been involved as a party in a prior administrative proceeding in Tennessee whereby the Tennessee Insurance Commissioner suspended Ritchey's insurance producer license. Such information is material because it appears Ritchey was attempting to conceal matters that may reflect negatively on his Application. *Tennessee Insurance Division v. Hugh Ritchey*, No. 10-102.
13. Ritchey may be refused a non-resident insurance producer license pursuant to §375.141.1(3), because by answering "No" to Background Question #2, Ritchey attempted to obtain a license through material misrepresentation or fraud. Ritchey's response to Background Question #2 was a material misrepresentation in that he had been involved as a party in a prior administrative proceeding in Tennessee whereby the Tennessee Insurance Commissioner suspended Ritchey's insurance producer license. Such information is material because it appears Ritchey was attempting to conceal matters that may reflect negatively on his Application. *Tennessee Insurance Division v. Hugh Ritchey*, No. 10-102.
14. Ritchey may be refused a non-resident insurance producer license pursuant to §375.141.1(2), because by failing to respond to a Consumer Affairs Division inquiry dated August 19, 2011, Ritchey violated an insurance regulation, namely 20 CSR 100-4.100(2)(A).
15. Ritchey may be refused a non-resident insurance producer license pursuant to §375.141.1(9), because two states – Tennessee and Colorado – denied, suspended or revoked his insurance producer license, or its equivalent. *Tennessee Insurance Division v. Hugh Ritchey*, No. 10-102; Colorado License Denial, Case File No. 232693.
16. The Director has considered Ritchey's history and all of the circumstances surrounding Ritchey's Application for licensure and exercises his discretion in summarily refusing to grant Ritchey's non-resident insurance producer license.

17. Granting Ritchey's non-resident insurance producer license would not be in the public interest.
18. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the non-resident insurance producer license application of Hugh D. Ritchey is hereby summarily REFUSED.

SO ORDERED, SIGNED, AND OFFICIAL SEAL AFFIXED THIS 27<sup>th</sup>  
DAY OF JANUARY, 2012.



JOHN M. HUFF  
DIRECTOR



NOTICE

TO: Applicant and any unnamed persons aggrieved by this Order:

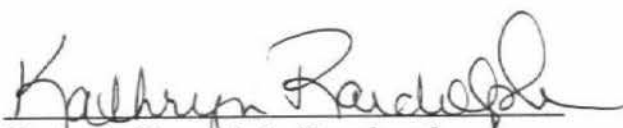
You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission, P.O. Box 1557, Jefferson City, Missouri within 30 days after the mailing of this notice pursuant to §621.120, RSMo. Under 1 CSR 15-3.290, unless you send your complaint by registered or certified mail, it will not be considered filed until the Administrative Hearing Commission receives it.

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of January, 2012, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by regular and certified mail at the following address:

Hugh D. Ritchey  
6955 Harvest Run Drive  
Harrison, Tennessee 37341

7008 2810 0000 2014 8939



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