

FILED

APR 26 2006

ADMINISTRATIVE HEARING
COMMISSION

**BEFORE THE ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI**

W. DALE FINKE, Director)
Missouri Department of)
Insurance,)

Petitioner,)

v.)

MICHAEL F. RAY,)

Respondent.)

Serve at:)
1107 N. 15 Ave.)
Ozark, MO 65721)
(417) 581-4053)

CASE NO. 06-03301726

COMPLAINT

W. Dale Finke, Director of the Missouri Department of Insurance, through counsel, complains and requests the Administrative Hearing Commission find that cause exists for disciplinary action against Respondent Michael F. Ray because:

1. Petitioner is the Director of the Missouri Department of Insurance whose duties, pursuant to RSMo Chapters 374 and 375, include the supervision and regulation of insurance producer licenses.

2. At all times mentioned herein, Respondent Ray was a licensed insurance producer (license #PR112575) in the State of Missouri. Respondent Ray's insurance license is currently active and in good standing.

3. This Commission has jurisdiction over this Complaint pursuant to § 621.045, RSMo 2000.

COUNT I

4. Petitioner realleges and expressly incorporates the allegations in paragraphs 1-3.

5. Respondent Ray signed the name of another to an application for insurance or to a document related to an insurance transaction without authorization, a ground for discipline under § 375.141.1(10), RSMo (Cumulative Supp. 2005).

6. The facts are as follows:

a. On or about October 4, 2004, Respondent Ray signed the name Joan Jewell to an insurance document, namely, an Employer's Disability Statement;

b. The aforementioned Employer's Disability Statement was used in an insurance transaction for Ozark R-VI School District and Amanda Clark;

c. On December 13, 2005, Respondent Ray admitted to signing the name Joan Jewell to the aforementioned Employer's Disability Statement; and

d. Respondent Ray signed Joan Jewell's name without authorization;

7. As a result, sufficient grounds exist for disciplining Respondent Ray's insurance license pursuant to § 375.141.1(10), RSMo (Cumulative Supp. 2005).

COUNT II

8. Petitioner realleges and expressly incorporates the allegations in paragraphs 1-3.

9. Respondent Ray has admitted committing the unfair trade practice of "False statements and entries" as set forth in § 375.936(5)(b), RSMo 2000, in violation of § 375.934, RSMo 2000, a ground for discipline under § 375.141.1(7), RSMo (Cumulative Supp. 2005).

10. The facts are as follows:

a. Between September 1, 2003 and December 31, 2004, Respondent Ray knowingly made entries in reports or statements of an insurer, namely, American Family Life Assurance Company (AFLAC), or knowingly omitted to make true entries of material facts in reports or statements of such insurer;

b. Specifically, Respondent Ray assembled various medical records and health information in multiple insurance claims that constituted reports or statements of AFLAC;

c. Such entries pertained to the business of such insurer;

d. Such entries were material and false;

e. On December 13, 2005, Respondent Ray admitted to falsifying such records or statements and submitting them to AFLAC with the intent of generating insurance payments; and

f. Respondent Ray committed the foregoing in conscious disregard of §§ 375.930 to 375.948, RSMo, or of any rules promulgated under §§ 375.930 to 375.948, RSMo, or with such frequency to indicate a general business practice to engage in that type of conduct.

11. As a result, sufficient grounds exist for disciplining Respondent Ray's insurance license pursuant to § 375.141.1(7), RSMo 2000.

COUNT III

12. Petitioner realleges and expressly incorporates the allegations in paragraphs 1–3.

13. Respondent Ray has admitted committing multiple acts of fraud, a ground for discipline under § 375.141.1(7), RSMo (Cumulative Supp. 2005).

14. The facts are as follows:

a. Petitioner realleges and expressly incorporates by reference the allegations contained in paragraph 10.

15. As a result, sufficient grounds exist for disciplining Respondent Ray's insurance license pursuant to § 375.141.1(7), RSMo (Cumulative Supp. 2005).

COUNT IV

16. Petitioner realleges and expressly incorporates the allegations in paragraphs 1–3.

17. Respondent Ray has violated an insurance law or violated a regulation, subpoena or order of the director or of another insurance commissioner in another state, a ground for discipline under § 375.141.1(2), RSMo (Cumulative Supp. 2005).

18. The facts are as follows:

- a. Petitioner realleges the allegations contained in paragraph 10; and
- b. Respondent Ray thereby violated § 375.934, RSMo, and § 375.991,

RSMo.

19. As a result, sufficient grounds exist for disciplining Respondent Ray's insurance license pursuant to § 375.141.1(2), RSMo (Cumulative Supp. 2005).

COUNT V

20. Petitioner realleges and expressly incorporates the allegations in paragraphs 1–3.

21. Respondent Ray has used fraudulent, coercive or dishonest practices in the conduct of business in this state or elsewhere, a ground for discipline under § 375.141.1(8), RSMo (Cumulative Supp. 2005).

22. The facts are as follows:

- a. Petitioner realleges the allegations contained in paragraphs 6–10;
- b. Respondent Ray intended that AFLAC rely upon such representations in the conduct of business;
- c. The representations were false;
- d. Respondent Ray, by his own admission, knew that the representations were false; and
- e. Respondent Ray, by his own admission, did so with the purpose to deceive or defraud.

23. As a result, sufficient grounds exist for disciplining Respondent Ray's insurance license pursuant to § 375.141.1(8), RSMo (Cumulative Supp. 2005).

COUNT VI

24. Petitioner realleges and expressly incorporates the allegations on paragraphs 1-3.

25. Respondent Ray has demonstrated incompetence, untrustworthiness or financial irresponsibility in this state or elsewhere, a ground for discipline under § 375.141.1(8), RSMo (Cumulative Supp. 2005).

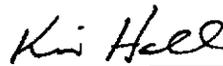
26. The facts are as follows:

- a. Petitioner realleges the allegations contained in paragraphs 6-10; and
- b. Respondent thereby demonstrated incompetence, untrustworthiness or financial irresponsibility in this state or elsewhere.

27. As a result, sufficient grounds exist for disciplining Respondent Ray's insurance license pursuant to § 375.141.1(8), RSMo (Cumulative Supp. 2005).

WHEREAS, based on the foregoing, Petitioner respectfully requests that the Commission make findings of facts and conclusions of law stating that Petitioner has established cause to discipline the insurance license of Respondent Michael F. Ray.

Respectfully submitted,



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