COPY

STATE OF MISSOURI
DEPARTMENT OF INSURANCE

IN THE MATTER OF:	)	
	)	Case No. 06A000357
Michael F. Ray	)	
	)	
Applicant.	)	
	)	
Serve at:	)	
	)	
1107 N. 15th Avenue Ozark MO 65721	)	
	)	

REFUSAL TO RENEW INSURANCE PRODUCER LICENSE

On May 30, 2006, Kathyrn Turner, as senior counsel for the Investigations Section of the Division of Consumer Affairs, submitted a petition to the Director alleging cause for refusing to renew the insurance producer license of Michael F. Ray ("Applicant"). After reviewing the petition, and the investigative report, the Director issues the following findings of fact, conclusions of law and summary order:

FINDINGS OF FACT

1. Applicant, Michael F. Ray, is a Missouri resident with an address of 1107 North 15th Avenue, Ozark, Missouri 65721.

2. On May 16, 2006, Michael F. Ray ("Applicant") submitted a request and a $100 fee for the renewal of his insurance producer license. Applicant's Missouri insurance producer license issued by the Department of Insurance expires on June 12, 2006.

3. On or about October 4, 2004, Applicant signed the name of Joan Jewell to an insurance document, an Employer's Disability Statement, to be used in an insurance transaction for Ozark R-VI School District and Amanda Clark.

4. On December 13, 2005, Applicant admitted that he had signed the name of Joan Jewell.

5. Applicant signed the name of Joan Jewell without authorization.

6. Between September 1, 2003 and December 31, 2004, Applicant knowingly made material and false entries, pertaining to the business of insurance, in reports or statements of an insurer, American Family Life Assurance Company ("AFLAC"), or knowingly omitted to make true entries of material facts in reports or statements of such insurer.

7. Applicant assembled various false medical records and health information in multiple insurance claims that constituted reports or statements of AFLAC.

8. On December 13, 2006, Applicant admitted to falsifying such records or statements and submitting to AFLAC with the intent of generating insurance payments to Amanda Clark and himself.

9. Applicant admitted that:

   a. He knew the records and statements were false, and
   b. The records and statements were made with the purpose to deceive, and
   c. He intended that AFLAC rely on the representations he made in the conduct of business involving the medical claims for Amanda Clark and himself.

10. This order is in the public interest.

CONCLUSIONS OF LAW

11. Section 375.141.1 RSMo Cum Supp 2005 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:
>
> (2) Violating any insurance laws...
>
> (7) Having admitted or been found to have committed any insurance unfair trade practice or fraud;
>
> (8) Using Fraudulent...dishonest practices, or demonstrating...untrustworthiness or financial

irresponsibility in the conduct of business in this state or elsewhere;

(10) Signing the name of another to an application for insurance or to any document related to an insurance transaction without authorization.

12. Section 375.932 RSMo 2000 provides, in part:

When used in sections 375.930 to 375.948, the following terms mean:

(3) "**Insurer**", any person...including agents, brokers...

13. Section 375.012.2 RSMo Cum Supp 2005, provides, in part:

2. All statutory references to "**insurance agent**" or "**insurance broker**" shall mean "insurance producer"...

14. Section 375.934 RSMo 2000 provides:

It is an unfair trade practice for any insurer to commit any practice defined in section 375.936 if:

(1) It is committed in conscious disregard of sections 375.930 to 375.948 or of any rules promulgated under sections 375.930 to 375.948; or

(2) It has been committed with such frequency to indicate a general business practice to engage in that type of conduct.

15. Section 375.936(5)(b) RSMo 2000 provides:

Any of the following practices, if committed in violation of section 375.934, are hereby defined as unfair trade practices in the business of insurance:

(5)(b) Knowingly making any false entry of a material fact in any book, report or statement of any insurer or knowingly omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report or statement of such insurer;

16. Section 375.991 RSMo 2000 provides, in part:

> 1. As used in Sections 375.991 to 375.994, the term "**statement**" means any communication, notice statement, proof of loss, bill of lading, receipt for payment, invoice, account, estimate of damages, bills for services, diagnosis, prescription, hospital or doctor records, x-rays, test results or other evidence of loss, injury or expense.
>
> 2. For the purposes of sections 375.991 to 375.994, a person commits a "**fraudulent insurance act**" if he knowingly presents, causes to be presented, or prepares with knowledge or belief that it will be presented, to or by an insurer...any oral or written statement including computer generated documents as part of, or in support of...a claim for payment or other benefit pursuant to an insurance policy for...personal insurance, which he knows to contain materially false information concerning any fact material thereto or if he conceals, for the purpose of misleading another, information concerning any fact material thereto.

17. Applicant signed the name of another to an application for insurance or to a document related to an insurance transaction without authorization, a ground for refusal to renew his insurance producer license under Section 375.141.1(10) RSMo Cum Supp 2005.

18. Applicant committed the unfair trade practice of "False statements and entries" as set forth in Section 375.936(5)(b) RSMo 2000, in violation of Section 375.934 RSMo 2000, a ground for refusal to renew his insurance producer license under Section 375.141.1(7) RSMo Cum Supp 2005.

19. Applicant committed multiple acts of fraud in the submission of claims, a ground for refusal to renew his insurance producer license under Section 375.141.1(7) RSMo Cum Supp 2005.

20. Applicant violated Section 375.934 RSMo 2000 and Section 375.991 RSMo 2000 committing unfair trade practices and engaging in a fraudulent insurance act, a ground for refusal to renew his insurance producer license under Section 375.141.1(2) RSMo Cum Supp 2005.

21. Applicant engaged in fraudulent and dishonest practices and demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state, a ground for refusal to renew his insurance producer license under Section 375.141.1(8) RSMo Cum Supp 2005.

22. This order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the renewal of the insurance producer license of Applicant Michael F. Ray is hereby summarily REFUSED.

SO ORDERED.

WITNESS MY HAND THIS 31st DAY OF May, 2006.

W. DALE FINKE
DIRECTOR

DOUGLAS M. OMMEN
DEPUTY DIRECTOR
GENERAL COUNSEL

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 of Missouri, P.O. Box 1557, Jefferson City, Missouri within (30) days after the mailing of this notice pursuant to Section 621.120 RSMo.

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of June, 2006, a copy of the foregoing notice, order and petition was served upon the Applicant in this matter by certified mail.

Kimberly Gross

Kimberly Gross
Senior Office Support Staff