



State of Missouri

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND
PROFESSIONAL REGISTRATION**

IN RE:

**AUTOMOTIVE RISK MANAGEMENT
& INSURANCE SERVICES, INC.,**

Renewal Applicant.

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Case No. 13-0729483C

ORDER REFUSING TO RENEW
A BUSINESS ENTITY INSURANCE PRODUCER LICENSE

On August 5, 2013, the Consumer Affairs Division submitted a Petition to the Director alleging cause for refusing to renew Automotive Risk Management & Insurance Services, Inc.'s non-resident business entity insurance producer license. 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 order:

FINDINGS OF FACT

1. Automotive Risk Management & Insurance Services, Inc. ("ARM, Inc."), is a California corporation with a business address of 1919 Grand Canal Boulevard, Suite C7, Stockton, California 95207 and a mailing address of P.O. Box 7095, Stockton, California 95267.
2. The Department of Insurance, Financial Institutions, and Professional Registration ("Department") issued ARM, Inc. a non-resident business entity insurance producer license (License No. 8009290) on August 11, 1999, which was most recently renewed November 3, 2011.
3. The Department received ARM, Inc.'s Renewal Application for Non-Resident Business Entity Producer License/Registration ("Application") on or about May 28, 2013.
4. Through its investigation, the Consumer Affairs Division ("Division") discovered the following administrative action taken against ARM, Inc. in another state:
 - a. On or about December 20, 2012, the Kansas Insurance Department entered a Summary Order revoking ARM, Inc.'s non-resident insurance agency license as a result of ARM, Inc.'s failure to file annual statements and pay excess lines

premium tax due by the due dates for tax years 2010 and 2011, violating an order of the commissioner, using a dishonest practice in collecting but failing to pay excess lines premium tax, and demonstrating untrustworthiness and financial irresponsibility in its dealings with the Kansas Insurance Department during the 2010 and 2011 tax years.¹ *In the Matter of the Kansas Nonresident Insurance Agent's License of Marvin E. McDougal, and The Kansas Nonresident Insurance Agency License of Automotive Risk Management*, Docket Nos. 4543-SO and 4544-SO (January 7, 2013).

- b. The December 20, 2012 Summary Order became final on January 7, 2013. *Id.*

CONCLUSIONS OF LAW

5. Section 375.141 RSMo (Supp. 2012)² provides, in part:

1. 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:

* * *

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

6. 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. E.D. 1984).
7. Renewal of ARM, Inc.'s non-resident business entity insurance producer license may be refused pursuant to § 375.141.1(9) because ARM, Inc.'s non-resident business entity insurance producer license, or its equivalent, was revoked in another state, namely Kansas, to wit:

- a. *In the Matter of the Kansas Nonresident Insurance Agent's License of Marvin E. McDougal, and The Kansas Nonresident Insurance Agency License of Automotive Risk Management*, Docket Nos. 4543-SO and 4544-SO (January 7, 2013) (Revocation for failure to file annual statements and pay excess lines premium tax due by the due dates for tax years 2010 and 2011, violating an order of the commissioner, using a dishonest practice in collecting but failing

¹ The Kansas Summary Order also revoked the Kansas non-resident insurance agent's license and non-resident excess lines insurance agent's license of Marvin Eldon McDougal. McDougal was the agent identified in the Kansas Insurance Department's records as ARM, Inc.'s agency contact and the Kansas licensed agent responsible for ARM, Inc.'s compliance with the insurance laws and regulations of Kansas. Similarly in Missouri, Marvin Eldon McDougal is listed as ARM, Inc.'s Designated Responsible Licensed Producer.

² All statutory references are to RSMo (2000) as updated by RSMo (Supp. 2012) unless otherwise noted.

to pay excess lines premium tax, and demonstrating untrustworthiness and financial irresponsibility in its dealings with the Kansas Insurance Department during the 2010 and 2011 tax years).

8. The Director has considered ARM, Inc.'s history and all of the circumstances surrounding ARM, Inc.'s Application. Renewing ARM, Inc.'s non-resident business entity insurance producer license would not be in the interest of the public. Accordingly, the Director exercises his discretion to refuse to renew ARM, Inc.'s non-resident business entity insurance producer license.
9. This Order is in the public interest.

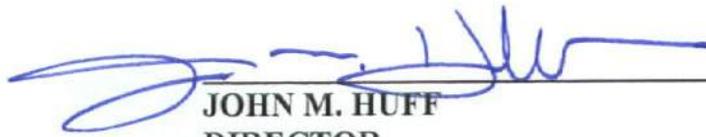
ORDER

IT IS THEREFORE ORDERED that the non-resident business entity insurance producer license renewal application of **Automotive Risk Management & Insurance Services, Inc.** is hereby **REFUSED**.

SO ORDERED.

WITNESS MY HAND THIS 5th DAY OF AUGUST, 2013.





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 of Missouri, P.O. Box 1557, Jefferson City, Missouri, within 30 days after the mailing of this notice pursuant to Section 621.120, RSMo. Pursuant to 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 6th day of August, 2013 a copy of the foregoing Order and Notice was served upon the Applicant in this matter by regular mail and UPS, at the following addresses:

Automotive Risk Management & Insurance Services, Inc.
Attn: Marvin McDougal
1919 Grand Canal Boulevard, Suite C7
Stockton, California 95207
UPS Tracking No. 1Z0R15W84290650099

Registered Agent, Ltd.
2345 Grand Blvd., Suite 2800
Kansas City, MO 64108-2612
UPS Tracking No. 1Z0R15W84294782501

The foregoing Order and Notice were also served upon Applicant in this matter by regular mail and certified mail at the following address:

Automotive Risk Management & Insurance Services, Inc.
Attn: Marvin McDougal
P.O. Box 7095
Stockton, California 95267
Certified No. 7009-0080-0000-1907-6832



Kimberly Landers, Paralegal
Missouri Department of Insurance, Financial
Institutions and Professional Registration
301 West High Street, Room 530
Jefferson City, Missouri 65101
Telephone: 573.751.2619
Facsimile: 573.526.5492
Email: Kimberly.Landers@insurance.mo.gov