



State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND
PROFESSIONAL REGISTRATION

IN RE:

GRACE LOVE,

Applicant.

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Case No. 130523332C

ORDER REFUSING TO ISSUE
AN INSURANCE PRODUCER LICENSE

On September 20, 2013, the Consumer Affairs Division (“Division”) submitted a Petition to the Director alleging cause for refusing to issue an insurance producer license to Grace Love. 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. Grace Love (“Love”) is a Georgia resident with a residential address of 1427 Twin Branches Circle, Marietta, Georgia 30067.
2. On or about February 19, 2013, Nora Carter-Wright, Compliance Coordinator for Interstate National Dealer Services, Inc., submitted an electronic application for a non-resident insurance producer license (“Application”) on behalf of Love.
3. In the “Authorizing Officer” section, the Application provides that, “[a]s the authorized submitter, I declare that the applicant provided all the information submitted on this application.”
4. Love, through Nora Carter-Wright, accepted the “Attestation” section of the Application, which reads, in relevant part, as follows:

I hereby certify that, under penalty of perjury, all of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties.

5. Question 2 of the application asks, in relevant part:

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

including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?

6. Love answered "No" to Question 2.
7. The Division's investigation revealed that, prior to filing her Application, Love had been a party in an administrative proceeding, as follows:
 - a. Love previously applied for an insurance producer's license in the state of Mississippi. On April 10, 2010, the Mississippi Insurance Department sent Love a "Notice of Statement of Charges and Opportunity for Hearing," alleging, among other things, that Love had withheld, misappropriated or converted money by misappropriating premium, and that she had used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business, under Miss. Code Ann. § 83-17-71(1)(d) and (h) (Supp. 2009). The Mississippi Insurance Department sent this Notice to Love via certified mail, which she signed for on May 18, 2010.
 - b. The Mississippi Insurance Department issued its Order of Denial as to Love's license application on May 24, 2010.
8. Love did not disclose the fact that her license application had been denied in Mississippi in her Missouri Application.
9. While Love's Application was pending with the Department, license applications that she had filed in three other states were also denied, as follows:
 - a. On February 19, 2013, Love applied for a nonresident agent license in the state of North Carolina.¹
 1. In considering Love's application, North Carolina's Department of Insurance noted that Love's producer license application had been denied in Mississippi for 1) improperly withholding, misappropriating, or converting money, and 2) using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business.
 2. On March 14, 2013, based upon the denial order in Mississippi and Love's failure to disclose that Mississippi action to North Carolina, the North Carolina Department of Insurance denied Love's nonresident agent license application for the following reasons:

¹ This is the same day that Love applied for a non-resident insurance producer license in Missouri.

- i. Providing materially incorrect, misleading, incomplete or materially untrue information in the application, under N.C.G.S. § 58-33-46(a)(1),
 - ii. Violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state's insurance regulator, or violating any rule of the FINRA, under N.C.G.S. § 58-33-46(a)(2),
 - iii. Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere, under N.C.G.S. § 58-33-46(a)(8), and
 - iv. Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other jurisdiction for reasons substantially similar to those listed in this subsection, under § 58-33-46(a)(9).
3. The North Carolina Department of Insurance advised Love that she had 30 days to seek review of the denial of her application for a nonresident agent license. She did not do so.
- b. On or about February 23, 2013, the state of West Virginia denied Love's non-resident license application.
 1. The West Virginia Offices of the Insurance Commissioner indicated that it had received Love's application wherein she had denied having been a party in any administrative proceeding.
 2. The West Virginia Offices of the Insurance Commissioner noted that it had discovered the Mississippi action against Love in 2010.
 3. Consequently, West Virginia's Offices of the Insurance Commissioner requested a response from Love within 30 days, explaining the circumstances surrounding Mississippi's administrative action against her.
 4. Love did not respond within the 30 day deadline provided, so her West Virginia license application was denied.
- c. On or about March 1, 2013, the state of Connecticut denied Love's producer license application.
 1. Connecticut's Insurance Department noted that it had discovered that Love's license application had been denied in Mississippi for misappropriating insurance premiums.

2. Connecticut's Insurance Department denied Love's application, citing § 38a-702k of Connecticut's General Statutes, which prohibits the following:
 - i. Providing incorrect, misleading, incomplete or materially untrue information in the license application,
 - ii. Violating any insurance laws,
 - iii. Violating any regulation of another state's commissioner,
 - iv. Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness in the conduct of business in this state or elsewhere,
 - v. Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing an insurance business,
 - vi. Having an insurance producer license denied, suspended or revoked in any other state.
10. On or about February 27, 2013, Love paid United Automobile Insurance Company \$534.10, the premium that Mississippi alleged that she misappropriated.
11. Love's Mississippi producer license, however, remains denied.
12. On March 21, 2013, and in light of the Mississippi administrative action that Love failed to disclose, E.J. Jackson, Special Investigator with the Division, wrote to Love and offered to issue her a non-resident insurance producer license in Missouri if she paid \$250 pursuant to a Voluntary Forfeiture Agreement. Love rejected this option, calling Jackson's offer "absurd" and asserting, "How can I pay for something that I know nothing about?"
13. Love's claim that she did not know about the Mississippi administrative action is not credible because Love signed for and received the certified mail from the Mississippi Insurance Department with the "Notice of Statement of Charges and Opportunity for Hearing," and because she ultimately paid the \$534.10 in misappropriated premium.

CONCLUSIONS OF LAW

14. Section 375.141.1 RSMo Supp. 2012,² provides, in part:

² All further statutory references are to RSMo Supp. 2012 unless otherwise noted.

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;

* * *

- (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;
- (9) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory[.]

15. 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).
16. Love may be refused an insurance producer license under § 375.141.1(1) because she intentionally provided materially misleading or incomplete information in the license application when she failed to disclose in her Application that her Mississippi license application was denied for improperly withholding, misappropriating or converting any money by misappropriating premium, and for using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business.
17. Love may also be refused an insurance producer license under § 375.141.1(2) because she violated the laws of Mississippi in that she improperly withheld, misappropriated or converted any money by misappropriating premium, and used fraudulent, coercive or dishonest practices or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business. North Carolina and Connecticut found that she violated their insurance laws in the same regard. Also, Love violated the laws of North Carolina and Connecticut in that she violated insurance laws, provided materially incorrect, misleading, incomplete, or materially untrue information in the applications by failing to disclose to North Carolina and Connecticut that her license had been denied in Mississippi, and she had licenses denied in other states. *See* Miss. Code Ann. § 83-17-71(1)(d) and (h) (Supp. 2009); N.C.G.S. § 58-33-46(a)(1), (2), (8) and (9); and C.G.S. § 38a-702k.

18. Love may also be refused an insurance producer license under § 375.141.1(3) because she attempted to obtain a license through material misrepresentation or fraud by failing to disclose in her Application that her Mississippi license application was denied.
19. Love may also be refused an insurance producer license under § 375.141.1(8) because she was found to have used fraudulent, coercive, or dishonest practices, or demonstrated incompetency, untrustworthiness or financial irresponsibility in the conduct of business in the states of Mississippi, North Carolina and Connecticut.
20. Love may also be refused an insurance producer license under § 375.141.1(9) because she has had an insurance producer license or its equivalent denied in four other states, to wit: Mississippi, North Carolina, West Virginia and Connecticut.
21. The Director has considered Love's history and all of the circumstances surrounding Love's Application. Love's lack of candor in the application process regarding her denial in Mississippi does not bode well for her compliance, going forward, with this state's insurance laws and regulations. Indeed, Love also failed to disclose the negative Mississippi administrative action in her North Carolina, West Virginia and Connecticut applications for licensure and as a result, those states denied Love's license applications as well. Granting Love an insurance producer license given these facts would not be in the interest of the public. Accordingly, the Director exercises his discretion to refuse to issue an individual insurance producer license to Love.
22. This Order is in the public interest.

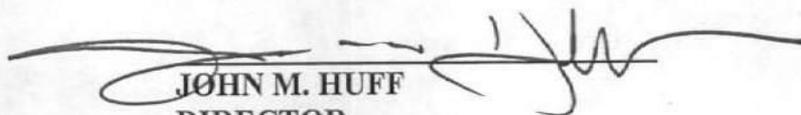
ORDER

IT IS THEREFORE ORDERED that the individual non-resident insurance producer license application of **Grace Love** is hereby **REFUSED**.

SO ORDERED.

WITNESS MY HAND THIS 20th ¹¹ 20 **DAY OF SEPTEMBER, 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 23rd day of September, 2013, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by regular mail and by UPS at the following address:

Grace Love
1427 Twin Branches Circle
Marietta, GA 30067

Tracking No. 1Z0R15W842396709



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