

# STATE OF MISSOURI



## DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

In RE: )  
)  
GLENDA E. SCOTT, ) Case No. 121030574C  
)  
And )  
)  
INSURANCE PROTECTION INC., )  
)  
Respondents. )

### CONSENT ORDER

John M. Huff, Director of the Department of Insurance, Financial Institutions and Professional Registration, takes up the above-referenced matter for consideration and disposition. The Consumer Affairs Division, through counsel, and Respondents Glenda E. Scott and Insurance Protection Inc., through counsel, James A. Rahm, have reached a settlement in this matter and have consented to the issuance of this Consent Order.

1. John M. Huff is the duly appointed Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration ("Director" of the "Department") whose duties, pursuant to Chapters 374 and 375

RSMo,<sup>1</sup> include supervision, regulation and discipline of insurance producers and business entity producers.

2. The Consumer Affairs Division ("Division") of the Department has the duty of conducting investigations into the unfair or unlawful acts of insurance producers and companies under the insurance laws of this state and is authorized to initiate actions before the Director to enforce the insurance laws of this state.

3. The Department issued Respondent Glenda E. Scott ("Scott") a resident insurance producer license (No. 0285609) on July 27, 1978. Scott surrendered her license by letter dated July 6, 2012, and Director Huff issued a Voluntary License Surrender Order concerning Scott on July 13, 2012. *In Re: Glenda E. Scott*, File No. 105631.

4. The Department issued Respondent Insurance Protection Inc. a business entity producer license (No. 0010797) on January 1, 1968. Such license expired January 1, 2013. Scott is an officer and designated licensed producer for Insurance Protection Inc.

5. Respondent Scott and Respondent Insurance Protection Inc. will collectively be referred to as "Respondents."

6. Between approximately September 2007 and December 2009, Respondents represented to numerous consumers that the consumers had insurance coverage upon their payment of the premiums quoted by Respondents.

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<sup>1</sup> All statutory references are to the 2012 Supplement to the Revised Statutes of Missouri unless otherwise noted.

Relying on Respondents' representations, the consumers paid Respondents over \$25,000 for the purchase of insurance.

7. After receiving the consumers' premiums, Respondents failed to forward the premiums to and secure policies with a insurance company, but instead used the premiums for a purpose other than intended.

8. Respondents failed to secure an insurer willing to provide coverage within 30 days of the original application, in violation of 20 CSR 700-1.140(1)(A).

9. Respondents failed to provide an insurance policy to the purchaser within 30 days of the issue date, in violation of 20 CSR 700-1.140(1)(C).

10. Respondents failed to timely forward premiums on to the appropriate insurance company, in violation of 20 CSR 700-1.140(1)(D).

11. As set forth in paragraphs 6-10, Respondents, in connection with the offer, sale, solicitation or negotiation of insurance 1) employed a deception, device, scheme, or artifice to defraud; 2) as to any material fact, made or used any misrepresentation, concealment, or suppression; 3) engaged in any pattern or practice of making any false statement of material fact; or 4) engaged in any act, practice or course of business which operated as a fraud or deceit upon any person, in violation of § 375.144. Respondents violated § 375.144 when they made representations to consumers that the consumers would be insured upon the payment of premium, but instead Respondents failed to forward premiums and used the premiums for a purpose other than intended.

12. Respondents acknowledge and understand that the Director may refuse to renew or discipline Respondents' licenses pursuant to § 375.141.1(2) for violating insurance regulations, namely, 20 CSR 700-1.140(1)(A), (1)(C), and (1)(D).

13. Respondents acknowledge and understand that the Director may refuse to renew or discipline Respondents' licenses pursuant to § 375.141.1(2) for violating an insurance law, namely § 375.144.

14. Respondents acknowledge and understand that the Director may refuse to renew or discipline Respondents' licenses pursuant to § 375.141.1(8) for using fraudulent, coercive, or dishonest practices, and demonstrating incompetence, untrustworthiness, and financial irresponsibility in the conduct of business.

15. Respondents acknowledge and understand that the Director may refuse to renew or discipline Respondents' licenses pursuant to § 375.141.1(4) for improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance.

16. Respondents acknowledge and understand that the Director may refuse to renew or discipline Respondents' licenses even though Respondents have surrendered or allowed their respective licenses to expire, in accordance with § 375.141.4.

17. Respondent Insurance Protection Inc. acknowledges and understands that the Director may refuse to renew or discipline its business entity producer license pursuant to § 375.141.3 because Respondent Scott's violations were known or should have been known by one or more of the partners, officers or managers

acting on behalf of Respondent Insurance Protection Inc. and the violations were neither reported to the Director nor corrective action taken.

18. Respondents admit to the facts alleged by the Consumer Affairs Division and outlined in this Consent Order strictly for the purposes of settlement, and not as an admission of wrongdoing or liability.

19. Respondents agree that these facts constitute grounds to refuse or discipline their licenses.

20. On December 5, 2012, counsel for the Division provided a written description of the specific conduct for which discipline was sought and a citation to the law and rules allegedly violated, together with copies of any documents upon which it based the allegations, and the Division's settlement offer, namely, this Consent Order, in accordance with § 621.045.4(1).

21. Respondents acknowledge and understand that they have the right to consult counsel at their own expense.

22. Respondents have been advised that they may, either at the time the Consent Order is signed by all parties, or within 15 days thereafter, submit the Consent Order to the Administrative Hearing Commission for a determination that the facts agreed to by the parties to the Consent Order constitute grounds for discipline of Respondents' licenses.

23. Respondents stipulate and agree to waive any waivable rights that they may have to a hearing before the Administrative Hearing Commission or the Director and any rights to seek judicial review or other challenge or contest of the

terms and conditions of this Consent Order and forever releases and holds harmless the Department, the Director and his agents, and the Consumer Affairs Division from all liability and claims arising out of, pertaining to, or relating to this matter.

24. Each signatory to this Consent Order certifies by signing that he or she is fully authorized, in his or her own capacity, or by the named party he or she represents, to accept the terms and provisions of this Consent Order in their entirety, and agrees, in his or her personal or representational capacity, to be bound by the terms of this Consent Order.

#### Conclusions of Law

25. The admissions made by Respondents and outlined in this Consent Order are grounds to refuse to renew or discipline Respondents' licenses pursuant to § 375.141.1(2), (4), and (8) and Respondent Insurance Protection Inc.'s business entity producer license pursuant to § 375.141.3.

26. The admissions made by Respondents and outlined in this Consent Order are made for the purposes of settlement only, and not as admissions of wrongdoing. See *State ex rel. Malan v. Huesmann*, 942 S.W.2d 424 (Mo. App. W.D. 1997).

27. The Director may revoke any license where the licensee has surrendered such license or allowed such license to expire pursuant to § 375.141.4.

28. The Director may impose orders in the public interest under § 374.046.

29. The terms set forth in this Consent Order are an appropriate disposition of this matter and entry of this Consent Order is in the public interest.

ORDER

IT IS ORDERED that Glenda E. Scott's Missouri insurance producer license (No. 0285609) is hereby **REVOKED**.

IT IS ORDERED that Insurance Protection Inc.'s Missouri business entity producer license (No. 0010797) is hereby **REVOKED**.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 27<sup>TH</sup> DAY OF MARCH, 2013.



JOHN M. HUFF, Director  
Missouri Department of Insurance,  
Financial Institutions and  
Professional Registration

CONSENT AND WAIVER OF HEARING

The undersigned persons understand and acknowledge that Respondents may have the right to a hearing, but that Respondents waived the hearing and consented to the issuance of this Consent Order.

Glenda E. Scott

Glenda E. Scott  
Respondent, License No. 0285609  
27134 CR 234  
Carrollton, Missouri 64633

03-14-2013  
Date

Glenda E. Scott for Insurance Protection Inc.

Glenda E. Scott for Insurance Protection Inc.  
Respondent, License No. 0010797  
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Carrollton, Missouri 64633  
Telephone: (660) 542-3535

03-14-2013  
Date

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March 14, 2013  
Date

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3-25-13  
Date