State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

IN RE:	)	
	)	
RAYMOND JOY,	)	**Case No. 131009556C**
	)	
Applicant.	)	

ORDER REFUSING TO ISSUE ADDITIONAL LINES TO AN INSURANCE PRODUCER LICENSE

On November 6, 2013, the Consumer Affairs Division ("Division") submitted a Petition to the Director alleging cause for refusing to issue additional lines to an insurance producer license of Raymond Joy. 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. Raymond Joy ("Joy") is a Missouri resident with a residential, business, and mailing address of 10044 Pepper Ln., St. Louis, Missouri 63136.

2. On or about August 1, 2013, Joy submitted a Uniform Application for Individual Producer License/Registration ("2013 Application") to the Department of Insurance, Financial Institutions, and Professional Registration ("Department"). Joy applied to the Department to add additional lines, specifically, accident and health, to his pre-existing producer license, which currently permits him to sell life insurance.

3. Joy accepted the "Attestation" section of the 2013 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.

4. Question 7 of the application asks as follows:

Do you have a child support obligation in arrearage?

If you answer yes,

a) by how many months are you in arrearage?
b) are you currently subject to and in compliance with any repayment agreement?
c) are you the subject of a child support related subpoena/warrant? (If you answered yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)

5. Joy answered "Yes" to Question 7 and indicated, in response to Question 7a that he was 58 months in arrearage on his child support; he did not, however, provide the documentation requested in the Application in this regard.

6. Following a request from the Department's licensing section to supplement Joy's 2013 Application with the required documentation, Joy provided a letter where he indicated that if he were granted additional lines and permitted to sell accident and health insurance as well as life, he would be able to get current on his child support. Joy also provided a copy of a document from the Missouri Department of Social Services, Family Support Division, showing his child support payment history and arrearages.

7. Upon receipt of Joy's 2013 Application, the Division reviewed Joy's previous application, filed on or about July 5, 2011, wherein he applied for a resident individual insurance producer license for the life insurance line ("2011 Application"). In his 2011 Application, Joy also answered "Yes" to Question 7 of the application, but he indicated "Yes" in response to question 7b regarding being subject to and in compliance with a repayment agreement. He also wrote a letter explaining that he was behind in child support payments because he had been unemployed for several years, but that he was going to pay $500 a month for the next 18 months to get current.

8. Because of Joy's affirmative representations regarding being subject to and in compliance with a repayment agreement, upon which the Department relied, Joy's 2011 Application was granted, and he obtained his producer license to sell life insurance.

9. Joy also submitted a Uniform Application for Individual Producer License Renewal/Continuation ("Renewal Application") on July 12, 2013 as to his producer license for the life line of insurance. Question 3 of the Renewal Application asks, "Do you have a child support obligation in arrearage, which has not been previously reported to the insurance department?" Joy answered, appropriately, "No."

10. Joy's Renewal Application was granted, and he currently holds an insurance producer license that permits him to sell life insurance; it expires on July 8, 2015.

11. After reviewing Joy's 2011 Application, his Renewal Application, and his 2013 Application and the attachments, Karen Crutchfield, Special Investigator with the Division, sent a letter to Joy's address of record by regular mail dated August 28, 2013. In this letter, Crutchfield asked why Joy had said, in his 2011 Application, that he was in compliance with a repayment agreement when, in fact, he was not. She also asked why Joy said he would pay his back child support when granted a producer license to sell life insurance, but he did not do so. She requested a letter of explanation from Joy by September 17, 2013.

12. On September 10, 2013, Joy responded. As to his 2011 Application, he indicated that he did not fully understand Question 7, regarding repayment agreements, and said he called the National Insurance Producer Registry for clarification. Joy said he answered "Yes" to Question 7b because he had a repayment agreement with his employer.

13. The Division's investigation regarding Joy's child support obligations revealed the following:

a. On or about January 17, 2002, the State of Missouri, Department of Social Services, Division of Child Support Enforcement, filed an administrative order regarding child support with the Circuit Court of the City of St. Louis ("Order"). That Order provided that Joy owed $105.00 per month for support of his minor child.[1] *Williams v. Joy*, St. Louis City Cir. Ct. Case No. 22027-00230.

b. On or about December 3, 2008, the State of Missouri, Department of Social Services, Family Support Division, filed an administrative Order Modifying Child Support Order with the Circuit Court of the City of St. Louis ("Modification"). This Modification provided that Joy owed $144.00 per month for support of his minor child. *See id.*

c. As of July 2011, Joy owed more than $9,000.00 in back child support. Since Joy first became licensed to sell life insurance in July, 2011, he has paid a total of $110.06 in child support – $81.36 in May, 2012, and $28.70 in February, 2013. As of August 6, 2013, his total child support arrearage is $12,593.10.

CONCLUSIONS OF LAW

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

[1] The child, T.J.W., was born on July 26, 2000.

[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;
>
> * * *
>
> (3) Obtaining or attempting to obtain a license through material misrepresentation or fraud;
>
> * * *
>
> (13) Failing to comply with an administrative or court order imposing a child support obligation[.]

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. The Director may refuse to issue Joy an insurance producer license for the additional lines of authority of accident and health under § 375.141.1(1) because Joy intentionally provided materially misleading or incomplete information in the license application when he indicated, in his 2011 Application, that he was subject to and in compliance with a repayment agreement, when in fact no such repayment agreement existed, and Joy was not in compliance, as he had significant child support arrearages at that time.

17. The Director may refuse to issue Joy an insurance producer license for additional lines of authority of accident and health under § 375.141.1(3) because Joy attempted to obtain a license through material misrepresentation or fraud by indicating, in his 2011 Application, that he was subject to and in compliance with a repayment plan when, in fact, he was not. Also, Joy represented in a letter appended to his 2011 Application that, while he was behind on child support, he planned to get current by paying $500 per month for the next 18 months when, in fact, he did not.

18. The Director may refuse to issue Joy an insurance producer license for additional lines of authority of accident and health under § 375.141.1(13) because he failed to comply with an administrative or court order imposing a child support obligation. Beginning in 2002, Joy owed $105.00 per month in child support. In 2008, the support order was modified, requiring Joy to pay $144.00 per month in child support. Joy paid barely over $100 in the past two years, and owes well over $12,000.00 in back child support. As such, Joy failed to comply with administrative or court orders imposing child support.

19. The Director has considered Joy's history and all of the circumstances surrounding Joy's 2011 and 2013 Applications. Joy obtained his license to sell life insurance through

subterfuge; he said he was subject to and in compliance with a repayment plan when he was not, and he said he would get current on his child support when he has not. Joy has failed to comply with court orders setting and modifying his child support obligation, and he has a significant arrearage of well over $12,000.00. Joy's child is still a minor, and Joy will presumably still be required to pay support for the child for several more years,[3] but his back child support represents a significant impediment to ever being current on his obligations. Accordingly, the Director exercises his discretion to refuse to issue additional lines of authority for Joy's individual insurance producer license.

20. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the insurance producer license application to issue additional lines to **Raymond Joy** is hereby **REFUSED.**

SO ORDERED.

WITNESS MY HAND THIS 7TH DAY OF NOVEMBER, 2013.

JOHN M. HUFF
DIRECTOR

[3] Section 452.340.3 provides that a child support obligation generally terminates when a child turns 18, or 21 if the child is enrolled in a secondary school program of instruction, or vocational or higher education. Section 452.340.3 and .5.

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 8th day of November, 2013, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by first class mail, postage prepaid, and by UPS with signature required at the following address:

Raymond Joy
10044 Pepper Ln.
St. Louis, Missouri 63136

Tracking No. 1Z015W84297476444

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