

Agent Investigations

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Agent Investigations



Agent Investigations

- Staff
- Inquiries & Legal Opinions
- Contact:
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Agent Investigations



SLIDE 2

Authority

- Sections 374.085 and 374.190, RSMo grant DIFP authority to investigate complaints and violations of insurance laws



Agent Investigations



SLIDE 3

Complaints against

- Producers (including business entity producers)
- Bail bond agents
- MVESC producers
- Home service contracts
- Public adjusters



Agent Investigations



SLIDE 4

Top complaint categories

- Misrepresentation
- Misappropriation
- Unlicensed activity
- High-pressure sales tactics
- Customer service issues



Agent Investigations



SLIDE 5

Sources of complaints

- Consumers, industry or other agencies on behalf of a consumer
 - ▶Electronic
 - ▶Paper
 - ▶Fraud reports



Agent Investigations



SLIDE 6

Investigations: 2012 numbers

- Complaints
 - ▶784
- Inquiries
 - ▶808
- Phone calls
 - ▶2,534
- Open investigations
 - ▶922
- Enforcement actions
 - ▶209



Investigation process

- Letter sent to producer, complainant and company, if applicable
- Response from producer required within 20 days (20 CSR 100-4.100)
- Producer's position relayed to consumer
- Determine if insurance laws have been violated
- Subpoena conference, if necessary



Discipline, 375.141

- 14 grounds for discipline
- Reporting requirements
- Report administrative action or criminal prosecution for felony or crime involving moral turpitude within 30 days
- Disciplinary action can not be pursued due to criminal charge, but possible with conviction



Investigations - outcomes

- No action taken
- Letter of caution
- Voluntary forfeiture agreement
- Referral to Legal Section with recommendation to pursue discipline



Types of discipline

- Refusal to issue or renew
- Voluntary forfeiture (fine)
- Suspension
- Revocation
- License with conditions



Administrative Hearing Commission (AHC)

- State agency (executive branch, not judicial)
- Complaint filed with AHC
- Hearing before AHC commissioner
- Like trial: evidence, witnesses, etc.
- AHC decides if there is cause for discipline
- If yes, director (not AHC) determines discipline after a hearing (revoke or suspend)
- Either side can appeal to circuit court
- AHC process is public



License applications - review

- Licensing Section refers to Investigations if:
 - ▶ Negative background information
 - ▶ Regulatory actions exist
 - ▶ Open investigation
- Applies to new apps and renewals



Appeal of refusal

- Section 375.141, RSMo – grounds for refusal
- Can appeal to AHC under Section 374.051, RSMo
- AHC conducts hearing and upholds or overturns refusal
- Applies to new apps and renewals
- Public: Posted at insurance.mo.gov



Public information

Public:

- Existence of investigation, complaint
- AHC process, including initial complaint
- Discipline
- Refusal to issue

Confidential:

- Content of investigations, complaints
- Letter of caution



Compliance

- DIFP rules
 - ▶ 20 CSR, Division 700, Chapter 1
 - ▶ 20 CSR 700-1.140 Minimum Standards of Competency and Trustworthiness for Insurance Producers Concerning Personal Insurance Transactions

