



State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

IN RE:

ANDREW GRIZZARD,

Applicant.

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Case No. 131125600C

ORDER REFUSING TO RENEW AN INSURANCE PRODUCER LICENSE

On August 13, 2014, the Consumer Affairs Division submitted a Petition to the Director alleging cause for refusing to renew Andrew Grizzard's 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. Andrew Grizzard ("Grizzard") is a Florida resident with a residential address of 10300 West Bay Harbor Drive, Apartment 2-B, Bay Harbor Islands, Florida 33154.
2. On August 17, 2012, the Department of Insurance, Financial Institutions and Professional Registration ("Department") issued an individual non-resident insurance producer license (License No. 8196469) for accident and health sales to Grizzard.
3. On July 22, 2013, the Department received Grizzard's application to add the life line of authority to his existing non-resident insurance producer license ("Application for Additional Lines").
4. On April 3, 2014, the Director of the Department entered an Order Refusing to Issue Additional Lines to an Insurance Producer License ("Order"), refusing Grizzard's Application for Additional Lines pursuant to § 375.141.1(1), (2), (3), (8), and (9). *In re: Andrew Grizzard*, Case No. 131223679C.
5. On April 26, 2014, Grizzard appealed the Director's Order. The case is currently set for hearing before the Administrative Hearing Commission on November 18, 2014. *Andrew Grizzard v. Director, Dep't of Ins., Fin. Insts. & Prof'l Reg.*, Case No. 14-0524 DI.

6. On August 11, 2014, the Department received Grizzard's "Uniform Application for Individual Producer License Renewal/Continuation" ("Renewal Application").
7. During its investigation, the Consumer Affairs Division ("Division") found that Grizzard had been a party to administrative actions in Colorado, Kentucky, and South Dakota.
8. On September 24, 2012, the Colorado Division of Insurance ("Colorado") sent Grizzard a letter by certified mail denying his applications for licensure as a non-resident insurance producer with accident and health authorities ("Colorado Denial").
 - a. The letter listed the following reasons for denial:
 - i. Engaging in unauthorized insurance activities through the sale of policies to two Colorado consumers without a license;
 - ii. Failure to respond to Colorado's February 4, 2010 letter regarding the unauthorized insurance activities, in violation of 3 CCR 702-1:1-1-8;
 - iii. Failure to demonstrate that you are competent, trustworthy and of good moral character and good business reputation;
 - iv. Violation of, or noncompliance with, any insurance law, or violation of any lawful rule, order, or subpoena or the commissioner or of the insurance department of another state;
 - v. Commission of any unfair trade practice or fraud;
 - vi. The use of fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial responsibility in this state or elsewhere; and
 - vii. Failure to fully meet the licensing requirements.
 - b. The Colorado Denial informed Grizzard that he may make a written demand within sixty (60) days for a hearing before the Commissioner, and that if no demand were made, the Colorado Denial would become non-appealable.
 - c. Grizzard failed to make a written demand for a hearing on the Colorado Denial. Therefore, the Colorado Denial became final and non-appealable on November 23, 2012.

In re Andrew Grizzard, Letter Denying Colorado License Applications 258849 and 260559, Case No. EC6172 (Sept. 24, 2012).

9. On February 27, 2013, the Kentucky Department of Insurance ("Kentucky") entered an Order of Revocation ("Kentucky Order") against Grizzard.

a. The Kentucky Order listed the following reasons for revocation:

- i. Failing to notify Kentucky that his Colorado application for an insurance license had been denied (in violation of KRS 304.9-467(1));
- ii. Providing incorrect, misleading, incomplete, or materially untrue information in his license application;
- iii. Violating insurance laws, or violating any administrative regulations, subpoena, or order of the Kentucky Insurance Commissioner or of another State's insurance Commissioner;
- iv. Obtaining or attempting to obtain a license through misrepresentation or fraud;
- v. Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance;
- vi. Using fraudulent, coercive, or dishonest practices; or demonstrating incompetence, untrustworthiness, or financial irresponsibility; or being a source of injury or loss to the public in the conduct of business in Kentucky or elsewhere;
- vii. Having an insurance license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory;
- viii. Revocation or suspension of any other license held by Grizzard issued by Kentucky or by any other jurisdiction; and
- ix. Failing to meet the requirements for initial licensure.

b. The Kentucky Order notified Grizzard that he may make a written application for a hearing within sixty (60) days of the effective date of the Order, which was February 27, 2013.

c. Grizzard failed to make a written application for a hearing. Therefore, the Kentucky Order became final on April 29, 2013.

In re Andrew Grizzard, Order of Revocation, DOI No. 78838, File No. 2013-0027 (Feb. 27, 2013).

10. On April 28, 2014, the South Dakota Division of Insurance ("South Dakota") entered into a Consent Order ("South Dakota Consent Order") with Grizzard that fined him \$500.00.

a. The South Dakota Consent Order listed the following reasons for discipline:

- i. Failing to timely report the Colorado Denial, in violation of SDCL § 58-30-193; and
- ii. Failing to respond to South Dakota within twenty (20) days of its inquiries dated March 14, 2013 and April 15, 2013, in violation of SDCL § 58-33-66(1).

b. The South Dakota Consent Order became effective on April 28, 2014.

In the Matter of Andrew Grizzard, Consent Order, South Dakota Division of Insurance (Apr. 28, 2014).

11. Grizzard did not report the Colorado Denial to the Department within thirty (30) days of the final disposition of the matter.

12. Grizzard did not report the Kentucky Order to the Department within thirty (30) days of the final disposition of the matter.

CONCLUSIONS OF LAW

13. Section 375.141 states, in pertinent 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:

(2) Violating any insurance laws, or violating any regulation, subpoena, or order of the director or of another insurance commissioner in any other state;

* * *

(7) Having admitted or been found to have committed any insurance unfair trade practice 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[.]

* * *

6. An insurance producer shall report to the director any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent order or other relevant legal documents.
14. 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).
15. The Director may refuse to renew Grizzard's individual non-resident insurance producer license under pursuant to § 375.141.1(9) because he had an insurance producer license, or its equivalent, denied, suspended or revoked in Colorado and Kentucky, to wit:
- a. *In re Andrew Grizzard*, Letter Denying Colorado License Applications 258849 and 260559, Case No. EC6172 (Sept. 24, 2012); and
- b. *In re Andrew Grizzard*, Order of Revocation, DOI No. 78838, File No. 2013-0027 (Feb. 27, 2013).
16. Each denial or revocation is a separate and sufficient cause for refusal pursuant to § 375.141.1(9).
17. The Director may refuse to renew Grizzard's individual non-resident insurance producer license under § 375.141.1(2) because he violated a Missouri insurance law, § 375.141.6, by failing to report to the Director the administrative actions taken against him in Colorado and Kentucky, within thirty (30) days of the final disposition of those matters.
18. Each failure to report an administrative action in violation of Missouri insurance law is a separate and sufficient cause for refusal pursuant to § 375.141.1(2).
19. The Director may refuse to renew Grizzard's individual non-resident insurance producer license under § 375.141.1(2) because he violated a Colorado insurance regulation, 3 CCR 702-1:1-1-8(5)(b), which states: "[E]very person shall provide a complete and accurate response to any inquiry from the Division within twenty (20) calendar days from the date of the inquiry." Grizzard violated this regulation when he failed to respond to Colorado's February 4, 2010 inquiry letter regarding Grizzard's unauthorized insurance activities.

20. The Director may refuse to renew Grizzard's individual non-resident insurance producer license under § 375.141.1(2) because he violated a Kentucky insurance law, KRS 304.9-467(1), which states: "An individual or business holding a license issued under this subtitle...shall notify the Commissioner in writing immediately if the licensee's license to conduct insurance...business of any kind in this state or elsewhere is surrendered or terminated under threat of disciplinary action, refused, suspended, revoked, or renewal of continuance is denied." Grizzard violated this law when he failed to timely report the Colorado Denial to Kentucky.
21. The Director may refuse to renew Grizzard's individual non-resident insurance producer license under § 375.141.1(2) because he violated a South Dakota insurance law, SDCL § 58-30-193, which states: "An insurance producer shall report to the director any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent order, or other relevant legal documents." Grizzard violated this law when he failed to timely report the Colorado Denial to South Dakota.
22. The Director may refuse to renew Grizzard's individual non-resident insurance producer license under § 375.141(2) because he violated a South Dakota insurance law, SDCL § 58-33-66(1), which states: "Unfair or deceptive acts or practices in the business of insurance include the following: (1) Failing to respond to an inquiry from or failing to supply documents requested by the Division of Insurance within twenty days of receipt of such inquiry or request[.]" Grizzard violated this law when he failed to respond to South Dakota within twenty (20) days of its inquiries dated March 14, 2013 and April 15, 2013.
23. Each violation of the insurance laws or regulations of another state is a separate and sufficient cause for refusal pursuant to § 375.141.1(2).
24. The Director may refuse to renew Grizzard's individual non-resident insurance producer license under § 375.141(7) because he has been found to have committed an insurance unfair trade practice when he violated SDCL § 58-33-66(1) by failing to respond to South Dakota within twenty (20) days of its inquiries dated March 14, 2013 and April 15, 2013.
25. The Director may refuse to renew Grizzard's individual non-resident insurance producer license under § 375.141.1(8) because he demonstrated incompetence in the conduct of business in this state or elsewhere when he sold two (2) health insurance policies to Colorado residents without a license to sell that product in Colorado.
26. Each demonstration of incompetence in the conduct of business in this state or elsewhere is a separate and sufficient cause for refusal pursuant to § 375.141.1(8).

27. The Director has considered Grizzard's history and all of the circumstances surrounding Grizzard's Renewal Application. Renewing Grizzard's non-resident insurance producer license would not be in the interest of the public. Accordingly, the Director exercises his discretion and refuses to renew Grizzard's non-resident insurance producer license.
28. This order is in the public interest.

ORDER

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

SO ORDERED.

WITNESS MY HAND THIS 13th DAY OF AUGUST, 2014.




JOHN M. HUFF
DIRECTOR

NOTICE

TO: Applicant and any unnamed persons aggrieved by this Order:

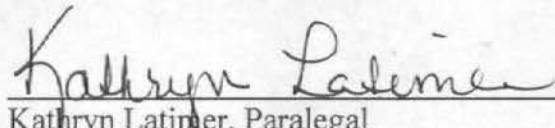
You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission of Missouri, P.O. Box 1557, Jefferson City, Missouri, within 30 days after the mailing of this notice pursuant to Section 621.120, RSMo. Pursuant to 1 CSR 15-3.290, unless you send 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 14th day of August, 2014, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by UPS, signature required, at the following addresses:

Anndrew Grizzard
10300 West Bay Harbor Drive
Apartment 2-B
Bay Harbor Island, Florida 33154

Tracking No. 1Z0R15W84292867567



Kathryn Latimer, 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: Kathryn.latimer@insurance.mo.gov