



DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

In the Matter of:

DARYL R. CAFFERTY,

Respondent.

)
)
)
)
)

Case No. 12-0831512C

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 legal counsel Kevin V. Spear, and Respondent Daryl R. Cafferty 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,¹ include supervision, regulation, and discipline of insurance producers authorized to conduct business in the state of Missouri.

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

¹ All statutory references are to the 2011 Supplement to the Revised Statutes of Missouri unless otherwise noted.

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 Daryl R. Cafferty ("Cafferty") a non-resident insurance producer license (No. 0430580) on December 10, 2008. The Department subsequently renewed Cafferty's insurance producer license and it was set to expire on December 10, 2012. However, Cafferty voluntarily surrendered his license on June 20, 2012.

4. On November 11, 2011, Farmers Insurance Group ("Farmers") terminated Cafferty's agent appointments with its companies for cause, following an audit that revealed that Cafferty mishandled premiums belonging to the Company.

5. On or about November 23, 2011, Farmers sent a letter to the Department providing additional information regarding its termination of Cafferty's appointments. A Farmers' audit revealed that Cafferty issued 32 renters policies in the final month of the first quarter of 2011, which allowed Cafferty to meet that quarter's production requirement. A majority of the 32 policies were issued with a cash payment, but no additional payments were ever submitted on the policy, resulting in their cancelation for non-payment. Furthermore, 13 of the 32 policies had invalid addresses and 11 policies were written with the same address.

6. On June 26, 2012, the Commissioner of Insurance of the State of Kansas entered into a Consent Agreement & Order (Docket No. 4394-SO) with Cafferty, revoking Cafferty's Kansas resident agent's license.²

² The Kansas Consent Agreement & Order states that Cafferty was licensed as a *resident* agent to transact the business of insurance in Kansas on page 1, but states that Cafferty's *nonresident* insurance agent's license was revoked on page 4. Our licensing records indicate that Cafferty held a resident agent's license in Kansas. Therefore, any references to a nonresident license are considered to be an administrative error.

7. Cafferty failed to report the administrative action taken by Kansas within 30 days of its final disposition, in violation of § 375.141.6. This failure to report constitutes grounds for discipline of Cafferty's insurance producer license pursuant to § 375.141.1(2).

8. Cafferty had his insurance producer license, or its equivalent, revoked in another state. This constitutes grounds for discipline of Cafferty's insurance producer license pursuant to § 375.141.1(9).

9. On October 25, 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).

10. Cafferty admits, acknowledges, and understands that under § 375.141.1(2) and (9), the Director may discipline Cafferty's insurance producer license.

11. Cafferty acknowledges and understands that he has the right to consult counsel at his own expense.

12. Cafferty has been advised that he 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 Cafferty's insurance producer license.

13. Except as provided in paragraph 12 above, Cafferty stipulates and agrees to waive any waivable rights that he 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.

14. 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

15. The actions admitted by Cafferty are grounds to discipline Cafferty's insurance producer license pursuant to § 375.141.1(2) and (9).

16. The Director may enter orders in the public interest under § 374.046.

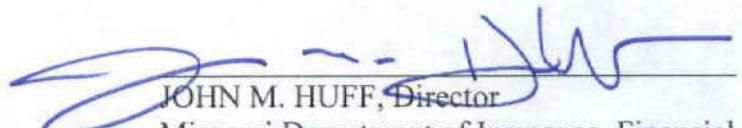
17. The terms set forth in this Consent Order are an appropriate disposition of this matter and entry of this Consent Order is in the public interest.

ORDER

IT IS ORDERED that Respondent Daryl R. Cafferty's non-resident insurance producer license (No. 0430580) is hereby REVOKED.

SO ORDERED, SIGNED, AND OFFICIAL SEAL AFFIXED THIS 1ST DAY OF NOVEMBER, 2012.




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 Respondent has a right to a hearing, but that Respondent has waived the hearing and consented to the issuance of this Consent Order.

Daryl R. Cafferty

Daryl R. Cafferty
Respondent
5411 Payne Street
Shawnee, Kansas 66226
Telephone: (913)441-8114

10/29/2012
Date

Counsel for Respondent
Name: _____
Missouri Bar No. _____
Address: _____

Telephone: _____

Date

Kevin V. Spear
Kevin V. Spear
Counsel for Consumer Affairs Division
Missouri Bar No. 65199
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

11-1-12
Date