



State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

IN RE:

MUHAMMAD A. AL-BASIR,

Renewal Applicant.

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Case No. 140115057C

ORDER REFUSING TO RENEW INSURANCE PRODUCER LICENSE

On October 14, 2014, the Consumer Affairs Division, through counsel, submitted a Petition to the Director alleging cause for refusing to renew Muhammad A. Al-Basir'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. Muhammad A. Al-Basir ("Al-Basir") is a Missouri resident with a mailing address of 4018 Harvard Lane, Apartment 205, Kansas City, Missouri 64133.
2. The Department of Insurance, Financial Institutions and Professional Registration ("Department") issued an individual resident insurance producer license (License No. 8221047) to Al-Basir on or about September 20, 2012. Said license expired on September 20, 2014.
3. On or about February 14, 2013, the Department received a letter from Reliable Life Insurance Company ("Reliable") informing the Department that an audit revealed Al-Basir had collected \$554.68 from policyholders and had not deposited the sum with Reliable. Al-Basir's bond was applied, but did not cover the deficiency, leaving an outstanding balance of \$455.41.
4. Reliable also included copies of the "Agent Deficiency Report" from their audit to support their allegations. The Agent Deficiency Report showed that during the week of November 19, 2012, Al-Basir failed to deposit premiums collected on eight (8)

different personal insurance policies, thereby creating a deficiency in the amount of \$554.68.

5. Al-Basir was not authorized under a written agreement between him and Reliable to remit the premiums at a later point in time.
6. On March 20, 2013, Special Investigator Dennis A. Fitzpatrick of the Consumer Affairs Division ("Division") sent an inquiry letter to Al-Basir at his mailing address of record. Said inquiry letter included a copy of Reliable's correspondence and requested an explanation regarding Reliable's allegations. The inquiry letter further requested a response by April 11, 2013, and warned Al-Basir that a failure to respond could result in disciplinary action by the Department.
7. The United States Postal Service did not return the March 20, 2013 inquiry letter to the Division as undeliverable, and therefore it is presumed delivered.
8. Al-Basir failed to provide a written response to the Division's March 20, 2013 inquiry letter by April 11, 2013, and failed to demonstrate a reasonable justification for the delay.
9. On May 22, 2013, Special Investigator Fitzpatrick sent a second inquiry letter to Al-Basir at his mailing address of record. Said inquiry letter included a copy of Reliable's correspondence and requested an explanation regarding Reliable's allegations. The inquiry letter further requested a response by June 12, 2013, and warned Al-Basir that a failure to respond could result in disciplinary action by the Department.
10. The United States Postal Service did not return the May 22, 2013 inquiry letter to the Division as undeliverable, and therefore it is presumed delivered.
11. Al-Basir failed to provide a written response to the Division's May 22, 2013 inquiry letter by June 12, 2013, and failed to demonstrate a reasonable justification for the delay.
12. On October 15, 2013, the Director issued a subpoena to Al-Basir, ordering his attendance at a November 14, 2013 subpoena conference. The subpoena was sent to Al-Basir via certified mail and first class mail.
13. The United States Postal Service returned the certified mail copy of the subpoena to the Department as unclaimed, but did not return the first class mail copy as undeliverable. Therefore, the subpoena sent by first class mail is presumed delivered.
14. Al-Basir did not appear as ordered by the subpoena at the November 14, 2013 subpoena conference.

15. On October 3, 2014, the Department received Al-Basir's completed "Uniform Application for Individual Producer License Renewal/Continuation" ("Renewal Application").

CONCLUSIONS OF LAW

16. Section 375.141 RSMo (Supp. 2013)¹ provides, in 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;

* * *

(4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;

* * *

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]

17. Title 20 CSR 100-4.100(2)(A) Required Response to Inquiries by the Consumer Affairs Division, provides:

Upon receipt of any inquiry from the division, every person shall mail to the division an adequate response to the inquiry within twenty (20) days from the date the division mails the inquiry. An envelope's postmark shall determine the date of mailing. When the requested response is not produced by the person within twenty (20) days, this nonproduction shall be deemed a violation of this rule, unless the person can demonstrate that there is reasonable justification for that delay.

18. Title 20 CSR 700-1.140(1)(D) Minimum Standards of Competency and Trustworthiness for Insurance Producers Concerning Personal Insurance Transactions

¹ All statutory references are to RSMo (2000) as updated by RSMo (Supp. 2013) unless otherwise noted.

provides:

Insurance producers shall remit all premium payments associated with a personal insurance policy to those persons entitled to them as soon as is reasonably possible after their receipt by the licensee, but in no event later than thirty (30) days after the date of receipt, provided, however, that premiums may be remitted at a later point in time if the licensee is so authorized under a written agreement between the licensee and the person legally entitled to the premiums. In no event, however, shall a licensee retain premium payments if to do so will result in the failure to obtain or continue coverage on behalf of an insured or prospective insured.

19. "There is a presumption that a letter duly mailed has been received by the addressee." *Clear v. Missouri Coordinating Bd. for Higher Educ.*, 23 S.W.3d 896, 900 (Mo. App. 2000) (internal citations omitted).
20. 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).
21. The Director may refuse to renew Al-Basir's individual resident insurance producer license under § 375.141.1(2) because Al-Basir failed to adequately respond to two (2) inquiry letters from the Division and failed to provide a reasonable justification for the delay, thereby twice violating 20 CSR 100-4.100(2)(A), a Department regulation.
22. The Director may refuse to renew Al-Basir's individual resident insurance producer license under § 375.141.1(2) because Al-Basir failed to appear at the November 14, 2013 subpoena conference, thereby violating a subpoena of the Director.
23. The Director may refuse to renew Al-Basir's individual resident insurance producer license under § 375.141.1(2) because Al-Basir did not remit premium payments associated with eight (8) personal insurance policies to Reliable within thirty (30) days after the date of receipt and was not authorized under a written agreement to remit the premium payments at a later date, thereby violating 20 CSR 700-1.140(1)(D), a Department regulation.
24. Each instance in which Al-Basir violated a regulation, subpoena or order of the director is a separate and sufficient cause for the Director to refuse to renew Al-Basir's individual resident insurance producer license pursuant to § 375.141.1(2).
25. The Director may refuse to renew Al-Basir's individual resident insurance producer license under § 375.141.1(4) because Al-Basir improperly withheld money received in the course of doing insurance business when he failed to remit premium payments as to eight (8) personal insurance policies in the amount of \$554.68 to Reliable.

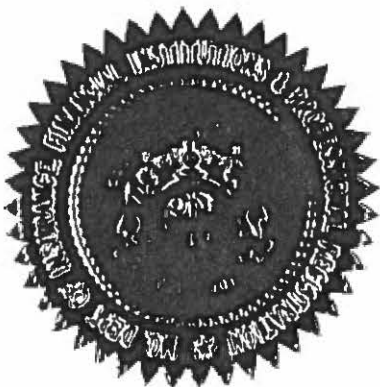
26. Each instance in which Al-Basir improperly withheld money received in the course of doing insurance business is a separate and sufficient cause for the Director to refuse to renew Al-Basir's individual resident insurance producer license pursuant to § 375.141.1(4).
27. The Director may refuse to renew Al-Basir's individual resident insurance producer license under § 375.141.1(8) because Al-Basir used dishonest practices or demonstrated untrustworthiness or financial irresponsibility in the conduct of business when he failed to remit to Reliable premium payments he received on eight (8) insurance policies.
28. The Director has considered Al-Basir's history and all of the circumstances surrounding Al-Basir's Renewal Application. In addition to his financial misconduct, Al-Basir has demonstrated a disregard of the regulator from whom he seeks a renewal of his license by his repeated failures to respond to the Director's subpoena and the Division's inquiry letters.
29. Renewing Al-Basir's individual resident insurance producer license would not be in the interest of the public. Accordingly, the Director exercises his discretion and refuses to renew Al-Basir's individual resident insurance producer license.
30. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the individual resident insurance producer license renewal application of **Muhammad A. Al-Basir** is hereby **REFUSED**.

SO ORDERED.

WITNESS MY HAND THIS 16TH DAY OF OCTOBER, 2014.




JOHN M. HUFF
DIRECTOR

NOTICE

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

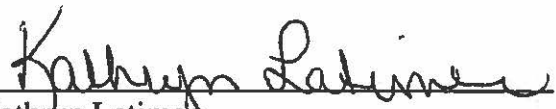
You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission of Missouri, P.O. Box 1557, Jefferson City, Missouri, within 30 days after the mailing of this notice pursuant to Section 621.120, RSMo. Pursuant to 1 CSR 15-3.290, unless you send 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 17th day of October, 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:

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4018 Harvard Lane, Apartment 205
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No. 1Z0R15W84294290631


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