



State of Missouri

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND
PROFESSIONAL REGISTRATION**

IN RE:)
)
THOMAS ONORATO,) **Case No. 161110480C**
)
Applicant.)

ORDER REFUSING TO ISSUE NON-RESIDENT INSURANCE PRODUCER LICENSE

On May 25, 2017, the Consumer Affairs Division submitted a Petition to the Director alleging cause to refuse to issue a non-resident insurance producer license to Thomas Onorato. After reviewing the Petition and the Investigative Report, the Director issues the following findings of fact, conclusions of law, and order:

FINDINGS OF FACT

1. Thomas Onorato ("Onorato") is a Maryland resident with a residential and mailing address of record of 2850 Bynum Overlook, Abingdon, Maryland 21009.
2. On June 15, 2016, Onorato submitted his completed individual non-resident insurance producer license application ("Application") to the Department of Insurance, Financial Institutions and Professional Registration ("Department").
3. Background Question No. 2 of the Application asked the following:

Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration? "Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned or surrendering a license to resolve an administrative action. "Involved" also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license, or registration. "Involved" also means having a license, or registration application denied or the act of withdrawing an application to avoid a denial. INCLUDE any business so named because of your actions in your capacity as an owner, partner, officer or director or member or manager of a Limited Liability Company. You may EXCLUDE terminations due solely to noncompliance with continuing education

requirements or failure to pay a renewal fee. If you answer yes, you must attach to this application:

- a) a written statement identifying the type of license and explaining the circumstances of each incident,
 - b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
 - c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment.
4. Onorato answered “no” in response to Background Question No. 2 of the Application.
5. Contrary to Onorato’s response, Onorato had been named or involved as a party in two administrative proceedings regarding a professional or occupational license or registration:
- a. On August 19, 2015, the Director of the Nebraska Department of Insurance adopted a Consent Order as a Final Order in which Onorato agreed that by failing to respond to a written inquiry from the Nebraska Department of Insurance, he had violated Neb. Rev. Stat. §§ 44-4059(1)(b), 44-1525(11) and 44-4059(1)(h) and his insurance producer license (NPN # 16833861) was subject to disciplinary action pursuant to Neb. Rev. Stat. § 44-4059. Onorato agreed to respond to the Nebraska Department’s inquiry, update his registered business address, and pay an administrative penalty of \$250 to the Nebraska Department of Insurance. *Neb. Dep’t. of Ins. v. Thomas Onorato*, Consent Order, Cause No. A-2019 (“Nebraska Consent Order”).
 - b. On May 31, 2016, the North Carolina Department of Insurance revoked Onorato’s non-resident North Carolina insurance producer license, after a hearing, finding that Onorato violated N.C. Gen. Stat § 58-33-32(k) by failing to notify the North Carolina Department of Insurance of the administrative action taken against him by the Nebraska Department of Insurance or report the administrative action to the National Insurance Producer Registry (“NIPR”). *In the Matter of the Licensure of Thomas Onorato*, Final Agency Decision and Order, N.C. Dep’t. of Ins., Docket No. D-1806. (“North Carolina Revocation”).
6. On June 22, 2016, Department Special Investigator, Karen Crutchfield (“Crutchfield”) sent an inquiry letter to Onorato at his mailing address asking him to provide copies of the Nebraska and North Carolina administrative actions, as well as an explanation of the circumstances leading to the actions and why he failed to disclose them on his Application. The inquiry letter cited 20 CSR 100-4.100 and informed Onorato that failure to respond could result in a violation of the law and a ground for discipline of his license.
7. On July 18, 2016, Onorato responded to Crutchfield’s inquiry in two e-mails, attaching copies of the administrative actions taken against him and stating the following, verbatim, in part:

Here are the docs for the action taken against me. Nebraska has reinstated me and i am working with North Carolina

* * *

I did not know i was supposed to update my information in NIPR. As far as the action against me, The state of Nebraska was trying to get a hold of me to because a complaint filed against a co-worker at my old job. I have been selling insurance for a few yrs so i never knew about the action. I have taken care of said action. North Carolina has taken action due to me not reporting the action, However like i said i did not know i had to and am trying to rectify everything.

8. Onorato's self-serving statements in response to the Departments inquiry letter are not credible in light of the following facts;
 - a. Onorato personally signed the Nebraska Consent Order in July 2015, almost a year before he submitted his Application to the Missouri Department.
 - b. Onorato's North Carolina insurance producer license was revoked in May of 2016 due to his failure to report the Nebraska action on NIPR. Onorato acknowledged to the Missouri Department in July of 2016 that he was required to update his information in NIPR and yet, as of May 24 2017, Onorato still had not updated information regarding administrative actions against him.
9. It is inferable, and hereby found as fact, that Onorato answered "No" to Background Question No. 2 of his application and failed to disclose that he had been named or involved as a party in an administrative proceeding, in order to hide the Nebraska and North Carolina administrative actions from the Director and thereby improve the chances that she would approve his Application and issue him a non-resident insurance producer license.

CONCLUSIONS OF LAW

10. Section 375.141.1, RSMo (Supp. 2013)¹ provides, in part:

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

¹ All references to § 375.141 are to the version of that statute found in the Revised Statutes of Missouri (2000) as updated by the 2013 Supplement, unless otherwise indicated.

(3) Obtaining or attempting to obtain a license through material misrepresentation or fraud;

* * *

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

* * *

(9) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory[.]

11. Neb. Rev. Stat. § 44-4059(1), Disciplinary Actions, provides in relevant part:

The director may suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy an administrative fine in accordance with subsection (4) of this section, or any combination of actions, for any one or more of the following causes:

* * *

(b) Violating any insurance law or violating any rule, regulation, subpoena, or order of the director or of another state's insurance commissioner or director;

* * *

(h) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere;

12. Neb. Rev. Stat. § 44-1525, Unfair Trade Practices, provides in relevant part:

Any of the following acts or practices, if committed in violation of section 44-1524, shall be unfair trade practices in the business of insurance:

* * *

(11) Failing of any insurer, upon receipt of a written inquiry from the department, to respond to such inquiry or request additional reasonable time to respond within fifteen working days[.]

13. Neb. Rev. Stat. § 44-1524, Unfair trade practice; prohibited acts, provides:

It shall be an unfair trade practice in the business of insurance for any insurer to commit any act or practice defined in section 44-1525 if the act or practice (1) is committed flagrantly and in conscious disregard of the Unfair Insurance Trade Practices Act or any rule or regulation adopted pursuant to

the act or (2) has been committed with such frequency as to indicate a general business practice to engage in that type of conduct.

14. N.C. Gen. Stat. § 58-33-32(k) provides in pertinent part:

A producer shall report to the Commissioner any administrative action taken against the producer in another state or by another governmental agency in this State within 30 days after the final disposition of the matter. As used in this subsection, "administrative action" includes enforcement action taken against the producer by the FINRA. This report shall include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action.

15. The Director may refuse to issue an insurance producer license to Onorato pursuant to § 375.141.1(1) because he intentionally provided materially incorrect, misleading, incomplete or untrue information in the license application when he answered "No" in response to background Question No. 2 of the Application and failed to disclose that he had been named or involved as a party in two administrative proceedings. *Neb. Dep't. of Ins. v. Thomas Onorato*, Consent Order, Cause No. A-2019; *In the Matter of the Licensure of Thomas Onorato*, Final Agency Decision and Order, N.C. Dep't. of Ins., Docket No. D-1806.
16. The Director may refuse to issue an insurance producer license to Onorato pursuant to § 375.141.1(2) because he violated an insurance law of another state. To wit:
- a. Onorato admitted to violating Neb. Rev. Stat. § 44-1525(11) by failing to respond to an inquiry letter from the Nebraska Department of Insurance. *Neb. Dep't. of Ins. v. Thomas Onorato*, Consent Order, Cause No. A-2019.
 - b. Onorato violated N.C. Gen. Stat. § 58-33-32(k) when he failed to report the Nebraska Consent Order to the Commissioner of the North Carolina Department of Insurance within 30 days after the final disposition of the matter. *In the Matter of the Licensure of Thomas Onorato*, Final Agency Decision and Order, N.C. Dep't. of Ins., Docket No. D-1806.
17. The Director may refuse to issue an insurance producer license to Onorato pursuant to § 375.141.1(3) because he attempted to obtain a license through material misrepresentation or fraud when he failed to disclose that he had been named or involved as a party in two administrative proceedings. *Neb. Dep't. of Ins. v. Thomas Onorato*, Consent Order, Cause No. A-2019; *In the Matter of the Licensure of Thomas Onorato*, Final Agency Decision and Order, N.C. Dep't. of Ins., Docket No. D-1806.
18. The Director may refuse to issue an insurance producer license to Onorato pursuant to § 375.141.1(7) because Onorato admitted to having committed an insurance unfair trade practice as defined by Neb. Rev. Stat. § 44-1525(11) by failing to respond to an inquiry letter from the Nebraska Department of Insurance. *Neb. Dep't. of Ins. v. Thomas Onorato*, Consent Order, Cause No. A-2019.

19. The Director may refuse to issue an insurance producer license to Onorato pursuant to § 375.141.1(9) because Onorato had an insurance producer license revoked in North Carolina. *In the Matter of the Licensure of Thomas Onorato*, Final Agency Decision and Order, N.C. Dep't. of Ins., Docket No. D-1806.
20. The Director has considered Onorato's history and all of the circumstances surrounding his Application. Accordingly, the Director exercises her discretion to refuse to issue Onorato a non-resident insurance producer license.
21. This order is in the public interest.

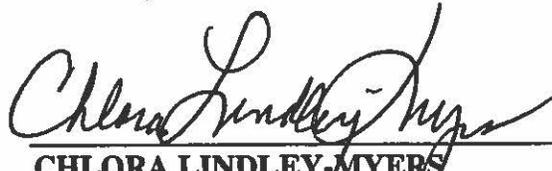
ORDER

IT IS THEREFORE ORDERED that **Thomas Onorato's** non-resident insurance producer application is hereby **REFUSED**.

SO ORDERED.

WITNESS MY HAND THIS 20th DAY OF September, 2017.





CHLORA LINDLEY-MYERS
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 20th day of September, 2017, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by USP, signature required, to the following address:

Thomas Onorato
2850 Bynum Overlook,
Abingdon, Maryland 21009

Tracking No. 1Z0R15W84294478788



Kathryn Latimer

Paralegal

Missouri Department of Insurance, Financial
Institutions and Professional Registration

301 West High Street, Room 530

Jefferson City, Missouri 65101

Telephone: 573.751.6515

Facsimile: 573.526.5492

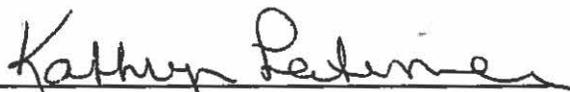
Email: kathryn.latimer@insurance.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of October, 2017, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by USSP, certified mail, to the following address:

Thomas Onorato
2850 Bynum Overlook,
Abingdon, Maryland 21009

Certified No: 7010 3010 0000 4563 1458



Kathryn Latimer

Paralegal

Missouri Department of Insurance, Financial
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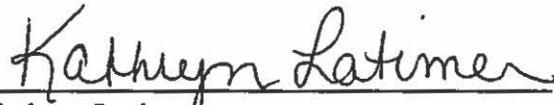
Facsimile: 573.526.5492

Email: kathryn.latimer@insurance.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of November, 2017, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by USSP, first class mail, to the following address:

Thomas Onorato
2850 Bynum Overlook,
Abingdon, Maryland 21009



Kathryn Latimer
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