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COMMISSIONER OF INSURANCE

Demitrios Economou, Petitioner
v.
Division of Insurance, Respondent

Docket No. E2013-01

**Order of Commissioner of Insurance on Petitioner's Appeal
From the Decision of the Presiding Officer**

This matter arises from a decision by the Director of Producer Licensing (“Director”) at the Division of Insurance (“Division”), denying the application of the petitioner, Demitrios Economou (“Economou”) for a public insurance adjuster’s license. Economou applied for the license on October 30, 2012. By letter dated December 11, 2012 (the “December 11, 2012 Letter”), the Director denied Economou’s application on the grounds that he was not a suitable person to act as an insurance adjuster and did not meet the statutory standards of trustworthiness and competence, specifically because of his convictions for workers’ compensation insurance fraud, conspiracy to commit such fraud, and larceny over \$250. On January 9, 2013, Economou appealed the Director’s denial of his application to the Division.

Because Economou did not dispute the factual record that the Director relied on in reaching her decision, the Division moved for summary decision. On August 6, 2013, the Presiding Officer issued a decision allowing the Division's motion (the "August 6, 2013 Decision") and affirming the Director's denial of Economou's application for a public insurance adjuster's license. On August 13, 2013, Economou appealed the August 6, 2013 Decision to the Commissioner of Insurance ("Commissioner"), pursuant to Massachusetts General Laws Chapter ("Chapter") 26, §7. With his appeal he filed a memorandum (the "Appeal Memorandum"), setting forth his arguments in support of his appeal.

In an appeal brought under Chapter 26, §7, the Commissioner does not hold a second hearing but, instead, fully considers the decision of the Presiding Officer in light of the Petitioner's arguments for reversal or modification. In deciding this appeal, I have carefully reviewed and considered the underlying record in this matter, the standards applicable to an applicant for a public insurance adjuster's license set out in Chapter 175, §172, the August 6, 2013 Decision, and the merits of Economou's arguments in his Appeal Memorandum. For the reasons set forth below, I conclude that Economou has advanced no argument or statement that would support modification or reversal of the Presiding Officer's decision, and as such, the August 6, 2013 Decision is affirmed.

In his Appeal Memorandum, Economou states that he appeals the August 6, 2013 order on the grounds that he was never afforded a hearing on his "reapplication for a public insurance adjuster's license." He disputes the Director's findings that he is not a suitable person to act as a public insurance adjuster and is not "trustworthy and competent" as required by Chapter 175, §172. Economou argues that while there is no disagreement on the documentary evidence available to the Director, her decision does not provide a reasoned explanation for her conclusions or indicate whether she considered evidence of the petitioner's rehabilitation in denying him a public adjuster's license "without a hearing."

Economou argues that Chapter 30A, §13 provides that no agency shall revoke or refuse to renew a license without first affording the licensee an opportunity for a hearing. He objects that a procedure on appeal that is based on a review of an application for a license and supporting materials and the Director's stated reasons for denying that application does not provide him with a meaningful opportunity to be heard or comply with Chapter 30A and 801 CMR 101.

Economou's arguments on appeal are identical in all material aspects to those he made to the Presiding Officer. In response to his argument that Chapter 30A, §13 entitles him to a hearing on a decision denying an application for a public insurance adjuster's license, the Presiding Officer determined that the statute in question mandates such a hearing *only* if an agency seeks to revoke a license or not to renew an existing license. It does not apply to a hearing on a decision to deny a license application. Economou's Appeal Memorandum makes no argument that her analysis is incorrect.

Economou also argues that the Presiding Officer committed error by affirming a decision by the Director that, he alleges, did not provide a reasoned explanation for her conclusions or consider evidence of his rehabilitation. He fails to acknowledge, however, that the August 6, 2013 Decision fully addressed the Director's explicitly stated reason for determining that Economou did not satisfy the statutory standard of trustworthiness and competence, a criminal history involving insurance fraud, conspiracy to commit fraud, and larceny. Economou offers no argument that the Presiding Officer's decision was legally incorrect.

With respect to the question of rehabilitation, Economou continues to argue, as he did to the Presiding Officer, that the denial of his application was incorrect because the Director did not indicate that she considered evidence of his rehabilitation. His argument does not address the Presiding Officer's citation in her decision of language in the December 11, 2012 Letter stating that the Director had reached her conclusions after thorough review and consideration of Economou's

completed application. Economou further has offered no argument that the Presiding Officer's analysis of the evidentiary value of the two letters of reference Economou submitted as support for rehabilitation, was in error.

In conclusion, for the reasons set forth above, I find that Economou has advanced no argument or statement that would provide a basis for modification or reversal of the Presiding Officer's decision. Therefore, I affirm the August 6, 2013 Decision.

This affirmation constitutes a final agency decision.

October 15, 2013

Joseph G. Murphy
Commissioner of Insurance