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DIVISION OF INSURANCE

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JOHN C. CHAPMAN
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GARY D. ANDERSON
ACTING COMMISSIONER OF INSURANCE

Division of Insurance, Petitioner
v.
Chase Carmen Hunter, et al., Respondents

Docket No. E2015-08

Order on Petitioner's Motion for Summary Decision

Introduction and Procedural History

On October 7, 2015 the Division of Insurance ("Division") filed an Order to Show Cause ("OTSC") against Chase Carmen Hunter ("Hunter"), a licensed Massachusetts insurance producer.¹ The Division alleges that Hunter, in her answer to background question 2 on her October 24, 2014 renewal application for her Massachusetts non-resident producer license, failed to disclose administrative actions against her taken by other states. It contends that, as of that date, the following jurisdictions had revoked her non-resident producer licenses: Texas (May 8, 2013); Florida (August 6, 2013); California (August 14, 2013); Indiana (October 7, 2013); Wyoming (August 8, 2014); and Ohio (September 24, 2014). The Division further alleges that in 2015 three additional states revoked Hunter's producer license: Illinois (February 25, 2015); Virginia (April 9, 2015); and Kentucky (May 13, 2015). In addition, the Division alleges that, on or about March 14, 2014, West Virginia initiated an administrative action against Hunter seeking to revoke her license in that state. The Division asserts that Hunter failed to report the

¹ The Division first licensed Hunter as a non-resident insurance producer on or about June 26, 2003. She most recently renewed that license on October 24, 2014. On November 21, 2014, Hunter notified the Division's Producer Licensing Section that she had moved to Massachusetts and requested that it update her address on its records.

California, Indiana, Ohio, Wyoming, West Virginia, Florida, Texas and Illinois revocations to the Division within the thirty-day time frame prescribed by M.G.L. c. 175, §162V(a).

The Division further alleges that Hunter was found liable in a civil action in Florida for engaging in anti-competitive practices, that she has engaged in improper advertising and marketing practices, that she failed to file a new application for a producer license when she changed her residential and business address to Massachusetts, and that she engaged in conduct in other jurisdictions that violated the laws of those jurisdictions.

The Division contends that these allegations support revocation of Hunter's Massachusetts producer license pursuant to the provisions of M.G.L. c. 175, §162R (a)(1), (a)(2), (a)(3), (a)(7), (a)(8) and (a)(9). It further asserts that she violated c. 175, §§162O(b), 162V(a), and 182, and M.G.L. c. 176D, §3 (2). In addition to revocation of Hunter's Massachusetts producer license, the Division seeks entry of a cease and desist order and orders requiring Hunter to dispose of all interests as proprietor, partner, stockholder, officer or employee of any Massachusetts insurance producer, and prohibiting her from engaging in the business of insurance in Massachusetts in any capacity. It also seeks fines pursuant to M.G.L. c. 176D, §7 and c. 175, §194.

The Division served the OTSC and Notice of Action on Hunter by certified mail at her mailing address in Walnut, California and at an address in West Springfield, Massachusetts that she had provided to the Division.² The United States Postal Service returned signed certified mail receipts to the Division. The Notice of Action advised Hunter that the proceeding would be conducted pursuant to M.G.L. c. 30A and the Standard Rules of Adjudicatory Practice and Procedure, 801 CMR 1.01, *et seq.* It specifically stated that those rules require Hunter to file an answer to the Order to Show Cause within 21 days after receiving it. On or about November 4, 2015, Hunter left a voicemail message at the Division requesting a hearing. On November 10, 2015, the Division served another copy of the OTSC and an Amended Notice of Action on her.³

On November 25, 2015, Hunter requested a 60-day extension of time to respond to the Amended Notice of Action to enable her to obtain legal counsel. An order issued on December 1

² Hunter advised the Division in 2014 that her residence address was in Hampden, MA. In a 2015 public records request, she gave her address as 29 Church Street, West Springfield, MA.

³ The certificate of service accompanying the Amended Notice of Action indicates that the documents were sent to Hunter at an address in Fredericksburg, VA, described as her business, mailing and residential address shown on the Division's records. However, the actual certified mail documents indicate that they were sent to her in West Springfield, MA.

asking the Division to respond to her request by December 11. In a memorandum dated December 7, 2015, the Division concluded that it could not determine whether Hunter's request was made in good faith, but opined that the record did not support her justification for her request. On December 9, Hunter requested another 60-day extension of time to respond to the Division's December 7 memorandum, again to allow her time to seek legal counsel. On January 18, 2016, Hunter requested a second extension, to March 25, 2016, to respond to the Amended Notice of Action dated November 10, 2015. An order, issued on January 26, 2016, allowed Hunter's request in part, ordering her to file an answer no later than February 29, 2016.

On March 1, 2016, the Division received a document from Hunter dated February 29, 2016 entitled a "challenge to jurisdiction" in response to the "Amended Show Cause."⁴ On March 4, the Division filed a motion for summary decision. An order, issued on March 8 (the "March 8 Order"), instructed Hunter to file any written response to the motion by April 1, 2016, and scheduled a hearing on the motion for April 12. On April 1, Hunter requested that the March 8 Order be vacated, again challenging the Division's jurisdiction. She submitted a memorandum on April 7 described as a supplement to the challenge to jurisdiction dated February 29, 2016. Neither Hunter nor a personal representative appeared at the April 12 hearing.

Petitioner's Motion for Summary Decision

Pursuant to 801 C.M.R. 1.01(7)(h), "[w]hen a Party is of the opinion there is no genuine issue of material fact relating to all or part of a claim or defense and he is entitled to prevail as a matter of law, the Party may move, with or without supporting affidavits, for summary decision . . ." In deciding if summary decision is appropriate, the presiding officer must determine that there is no genuine issue as to any material fact and must then rule as a matter of law. *Caitlin v. Board of Registration of Architects*, 414 Mass. 1, 7 (1992).

1. Jurisdiction

Hunter, in her responses to the OTSC and to the motion for summary decision, contests jurisdiction, contending that the revocations of her insurance licenses by other jurisdictions that underlie the allegations in the OTSC resulted from flawed proceedings and implying that the orders issued by those jurisdictions are invalid as support for the claims in the OTSC. After

⁴ On March 1, as well, the Division received another request from Hunter for an extension to respond to the Amended Notice of Action. She asked that she be allowed to late file, by a few minutes, a document that she thought she had filed shortly after midnight as required to do so by the January 26, 2016 Order. That document appears to be the "challenge to jurisdiction."

reviewing the record in this matter I conclude, for the following reasons, that the Division's motion for Summary Decision should be allowed in part, and that the evidence is sufficient to support, in part, its requests for relief.

Paragraphs 1 through 7 of the OTSC advise Hunter that the statutory authority for initiating an administrative action against her is found in M.G. L. c. 176D, §§6 and 7 and c. 175, §162R. They allege that she is a licensed Massachusetts insurance producer, licensed as a non-resident producer from June 26, 2003 to November 21, 2014 and, since November 21, 2014 as a resident producer. Hunter does not challenge those statutory grounds or contest the facts about her status as a Massachusetts resident and a licensed Massachusetts insurance producer. Nor does she effectively challenge the general statutory authority of the Commissioner of Insurance ("Commissioner") to administer and enforce the provisions of M.G.L. c. 175 or the particular authority prescribing the procedures that apply to licensing and disciplining insurance producers found in M.G.L. c. 175, §§162G-162X. Hunter's position is, in essence, that the Division's OTSC is not an independent state action but a continuation of a series of administrative actions taken by other jurisdictions that culminated in revocations of her producer licenses; she asserts that state insurance regulators and the National Association of Insurance Commissioners ("NAIC") are participants in a criminal conspiracy to harm her.

Hunter misunderstands the statutory scheme applicable to disciplinary actions that the Division initiates against insurance producers. On her October 24, 2014 application to renew her Massachusetts producer license, Hunter affirmed that she was "aware that submitting false information or omitting pertinent or material information in connection with the application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties." Among other things, the OTSC alleges that Hunter omitted material information from that renewal application. Hunter also acknowledges on the renewal application that she "understand[s] and will comply with the insurance laws and regulations of the jurisdictions to which I am applying for licensure." Violations of those laws and non-compliance with the standards for holding a license are among the grounds for initiating disciplinary action against a licensee set out in M.G.L. c. 175, §162R.

I find that there is no material dispute over the facts supporting the Division's jurisdiction over Hunter as the holder of a Massachusetts insurance producer license. Based on

those facts, I find that, as a matter of law, Hunter, as a licensed insurance producer, is subject to the Commissioner's authority in this administrative proceeding.

2. Findings of Fact

To obtain the relief it requests, the Division must present sufficient evidence to support each claim in the OTSC. As support for its claims, the Division relies on 36 exhibits attached to the OTSC. Hunter made no specific objections to any exhibit. With the exception of Exhibit 33 A-C, I have considered those exhibits as evidence offered in support of the claims in the OTSC.⁵ On that record, I make the following findings of fact.

- a. The Division first licensed Hunter as a non-resident insurance producer on or about June 26, 2003.
- b. On November 21, 2014, Hunter notified the Division's producer Licensing Section that she had moved to Massachusetts.
- c. As she requested, the Division changed Hunter's address on its records.
- d. On May 8, 2013, the Texas Insurance Commissioner revoked Hunter's Texas insurance licenses.
- e. On August 6, 2013, the Florida Department of Financial Services revoked Hunter's Florida insurance licenses.
- f. On August 14, 2013, the California Department of Insurance revoked Hunter's California insurance licenses.
- g. On October 7, 2013, the Indiana Department of Insurance revoked Hunter's Indiana insurance licenses.
- h. On March 14, 2014, the West Virginia Insurance Commissioner filed an administrative complaint against Hunter.
- i. On August 7, 2014, the Wyoming Commissioner of Insurance revoked Hunter's Wyoming insurance licenses.
- j. On September 22, 2014, the Ohio Department of Insurance revoked Hunter's Ohio insurance licenses.
- k. On February 25, 2015, the Illinois Department of Insurance revoked Hunter's Illinois insurance licenses.
- l. On April 9, 2015, the State Corporation Commission of the Commonwealth of Virginia revoked Hunter's Virginia insurance licenses.

⁵ Exhibits 33A-C consist of proposed settlement documents, dated July 31, 2015, that the Division sent to Hunter. The OTSC alleges that Hunter did not respond to the settlement offer. The Division does not, however, assert that Hunter's failure to do so is grounds for any claim against her and does not contend that the documents are relevant to any aspect of the OTSC. Article IV, Rule 408, of the Massachusetts Guide to Evidence prohibits the use of settlement offers to prove or disprove the validity of a disputed claim. The July 31, 2015 letters and proposed settlement agreement are therefore not admissible as evidence of any action by Hunter and have played no part in this decision.

- m. On May 13, 2015, the Commissioner of the Kentucky Department of Insurance revoked Hunter's Kentucky insurance licenses.⁶
- n. On or about March 14 and April 12, 2011, in the Circuit Court of the Fifth Judicial Circuit for Orange County, Florida, injunctive relief and a summary decision were granted to the plaintiffs in *Kalmanson Agency, Inc. v. Chase Carmen Hunter*, Case No. 09-CA-37513. The court enjoined Hunter from using the plaintiffs' name to solicit business or divert customers, and from engaging in any other unfair or deceptive trade practices.
- o. On or about October 29, 2012, November 8, 2012, December 9, 2012, March 31, 2013, May 8, 2013, August 22, 2013, September 9, 2013, October 23, November 16, 2013, and July 16, 2014, Hunter sent out memoranda addressed to "Insurance Regulators" contesting state proceedings against her licenses.
- p. On the memoranda dated August 22, 2013 through November 16, 2013, Hunter adds a statement that they were also sent to NIPR.⁷
- q. Hunter did not report the Ohio and Illinois license revocation decisions to the Division within 30 days of final disposition.

3. Analysis

The Division alleges that Hunter violated M.G.L. c. 175, §162O (b) because she did not complete an application within 90 days of establishing legal residence in Massachusetts. That statute establishes requirements for obtaining a Massachusetts producer license when an individual who is licensed in another state moves to the Commonwealth. M.G.L. c. 175, §162N (4)(c) prescribes different requirements when a non-resident producer moves from one state to another; the producer shall file a change of address and provide certification from the new resident state, but is not required to pay a fee or file a license application. Hunter, when she notified the Division that she had changed her residential address from Virginia to Massachusetts, already held a Massachusetts producer license. That she filed a change of address on or about November 21, 2014 is undisputed; the Division's producer licensing section processed that change, advised her that it would not issue an updated license, and instructed her on the process for obtaining a replacement license. It did not indicate that a fee or application was due. An integrated reading of M.G.L. c. 175, §§162N and 162O supports the conclusion that a new application is required only if an insurance producer, licensed in another jurisdiction

⁶ Footnote 5 to the OTSC questions whether the Kentucky order is "final" because it asserts that Hunter has requested a hearing. The order itself, at page five, revokes Hunter's license and states that it is a final agency action within the meaning of the Kentucky Insurance Code.

⁷ The OTSC references to the dates of the memoranda do not always match the actual date on the document. For example, Exhibit 9 is given a date of December 10, but is dated December 9, 2012; Exhibit 10 is referred to as an April 5, 2013 document, but the date on the document is March 31, 2013. The OTSC also indicates that the October 29, 2012, November 9, 2012, December 19, 2012, April 5, 2013 [sic] and May 8, 2013 were sent to the NIPR. Each was addressed only to "insurance regulators."

but not in Massachusetts, becomes a Massachusetts resident and seeks to engage in the business of insurance in the Commonwealth. On the facts in this case, I find that the evidence does not support the Division's claim that Hunter failed to comply with §162O (b).

Chapter 175, §162R (a) identifies fourteen specific grounds that will support revocation or suspension of a license. The Division asserts that six of those grounds support disciplinary action against Hunter's Massachusetts license. Each will be examined in turn.

Subsection (a)(1) permits disciplinary action if the licensee has provided incomplete or materially untrue information on a renewal application. The documentary evidence supporting the Division's claim that Hunter should be disciplined on that ground is her application to renew her Massachusetts producer license dated October 24, 2014.⁸ On that application, Hunter answered "no" to Background Question 2 that asks if she had ever been named or involved as a party in an administrative proceeding regarding any professional or occupational license that had not been previously reported to the Massachusetts Division of Insurance. The Division alleges that before October 24, 2014, Hunter was a named party in six state administrative proceedings to revoke her insurance producer license. Four revocations occurred in 2013 (Texas, Florida, California and Indiana) and two (Wyoming and Ohio) in 2014, before the date on Hunter's renewal application.

Hunter's obligation was to report on her license application administrative proceedings against her regarding any professional or occupational license that occurred before the date of her license renewal *and were not previously reported to the Massachusetts Division of Insurance* (emphasis added.) The Division's exhibits include six memoranda from Hunter to "Insurance Regulators," dated at intervals between October 29, 2012 and July 16, 2014. The earlier memoranda report on the suspension of her Florida license; the July 2014 document reports on initiation of a Wyoming action and refers to Virginia and West Virginia as well.⁹ Four other exhibits consist of memoranda from Hunter dated between August 22, 2013 and November 16, 2013 that were allegedly sent to "Insurance Regulators" and the NIPR Attachment Warehouse at the NAIC.¹⁰ Those memoranda refer to the revocation of her producer licenses in Texas, California, Florida and Indiana.

⁸ That application is attached to the OTSC as Exhibit 2.

⁹ Exhibits 7, 8, 9, 10, 13 and 23.

¹⁰ Exhibits 17, 18, 20 and 21. The National Insurance Producer Registry ("NIPR") maintains an electronic database of information on insurance producers, including information on regulatory actions.

On this record, the Division has not adequately supported its allegations that Hunter provided incomplete or misleading information on her license renewal application by not acknowledging revocation of her licenses in Texas, Florida, California, Indiana and Wyoming. At issue is whether those revocations had previously been reported to the Division. As noted above, Hunter had addressed memoranda to "Insurance Regulators" about those proceedings.¹¹ The Division, as an insurance regulator, would be a putative recipient of memoranda sent to that group.¹² For that reason, it cannot be conclusively determined whether Hunter provided incomplete information on her license renewal application with respect to administrative actions in Texas, Florida, California, Indiana and Wyoming. Hunter's memoranda to Insurance Regulators and to the NIPR do not, however, report the Ohio revocation. Because that occurred before Hunter renewed her producer license, she should have answered "Yes" to Question 2. For that reason, I find that Hunter is subject to disciplinary action pursuant to §162R (a)(1) for providing incomplete information on her renewal application.

Subsection (a)(2) supports disciplinary action if the licensee has violated any insurance laws or violated any regulation, subpoena or other order of the Massachusetts Commissioner or of another state's insurance commissioner. The Division alleges that Hunter's violations of insurance laws in California, Indiana, Kentucky, Ohio, West Virginia, Wyoming, Virginia, Florida, Texas and Illinois are grounds for disciplining her in Massachusetts. It does not claim that Hunter is subject to discipline under (a)(2) for violating any Massachusetts insurance laws.

Subsection (a)(2) also supports disciplinary action if a respondent has violated any order of another state's insurance commissioner. The orders from other jurisdictions attached to the OTSC demonstrate that Hunter failed to comply with orders from the Texas, Virginia, Ohio, California, and Kentucky insurance commissioners, acts that permit disciplinary action against Hunter pursuant to (a)(2).¹³ I find that the record supports taking disciplinary action against Hunter pursuant to Subsection (a)(2).

¹¹ The OTSC asserts that those memoranda were also sent to NIPR, but the documents themselves do not so state. Memoranda dated between August 22, 2013 and November 16, 2013 do indicate that they were sent to NIPR.

¹² The record does not address whether reporting to NIPR is equivalent to reporting directly to a state insurance producer licensing authority.

¹³ Virginia revoked Hunter's license for failure to obey orders from its State Corporation Commission, Ohio stated that Hunter failed to respond to a subpoena from the Department of Insurance, California based its disciplinary action on her failure to respond to an inquiry from its Commissioner and Kentucky also revoked Hunter's license for failure to comply with requests to produce documents. The Division asserts, in Claim 36 of the OTSC, that Hunter also violated an order of the Indiana Commissioner by failing to pay a

Subsection (a)(3) supports disciplinary action if the applicant has obtained or attempted to obtain a license through misrepresentation or fraud. The Division alleges that Hunter's failure to disclose eight administrative actions on her renewal application subjects her to disciplinary action for that reason. As noted in the discussion of §162R (a)(1) above, the record is insufficient to support the allegation that Hunter did not disclose five of those administrative actions on her license renewal; however, it supports the Division's claim that she did not disclose the Ohio administrative action. Hunter was the respondent in three other administrative actions that occurred after the date of her license renewal application; their omission from that application therefore does not constitute misrepresentation or fraud in connection with obtaining a license. On this record, I find that Hunter, by failing to disclose the Ohio administrative action on her renewal application, is also subject to disciplinary action pursuant to §162R (a)(3) for obtaining a license through misrepresentation.

Subsection (a)(7) supports disciplinary action if the licensee has admitted or been found to have committed any insurance unfair trade practice or fraud. The Division derives its claim from the Texas administrative action revoking Hunter's license for failure to return unearned premium to a consumer and for claims that her advertising and marketing materials did not comply with Texas statutes. The decision in that action is based on Hunter's violation of an extensive list of Texas statutes, but does not identify them as "insurance unfair trade practice[s] or fraud." Rather than re-characterize the Texas actions to comply with the language in (a)(7), I will consider them in connection with disciplinary action under Subsection (a)(8).

Subsection (a)(8) supports disciplinary action if the licensee has used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in the commonwealth or elsewhere. The Division asserts that Hunter engaged in conduct in Texas, Florida and Virginia that falls within the scope of those activities and support disciplinary action against her.¹⁴ It also contends that she demonstrated untrustworthiness in Massachusetts by fraudulently declaring that Massachusetts was her principal place of residence or business.

Review of the decisions revoking Hunter's licenses in Texas and Florida amply demonstrates that her conduct in those jurisdictions supports disciplinary action pursuant to

fine imposed on her. The Division provided no documentary or other support for that claim. Exhibit 10 is a photocopy of an e-mail from Illinois referring to funds Hunter owed to that state.

¹⁴ Those three decisions are exhibits 14 (Texas), 15 (Florida) and 31 (Virginia) to the OTSC.

Subsection (a)(8). The Texas decision based its revocation on Hunter's failure to return unearned premium, first to a consumer and then to the issuing insurer who subsequently reimbursed the consumer directly, and a continuous failure to comply with Texas advertising rules and regulations. Such activities may reasonably be considered dishonest and a demonstration of untrustworthiness in the conduct of business. The Florida decision specifically concluded that Hunter "exhibited fraudulent and dishonest practices related to her Florida non-resident license and exhibited a lack of fitness and trustworthiness to engage in the business of insurance." On this record, I conclude that Hunter's actions in Texas and Florida, as documented in orders from those jurisdictions revoking her licenses, support disciplinary action pursuant to (a)(8).

The Virginia decision revoking Hunter's license, however, is based on failure to comply with that state's procedural requirements, including production of documents. As noted above, it supports disciplinary action under Subsection (a)(2), but has no direct relationship to her conduct of business in that state and therefore does not support discipline under (a)(8). The Division's exhibits do not support its claim that Hunter may be disciplined pursuant to (a)(8) because, in her November 21, 2014 e-mail to the Division's Producer Licensing Section, she fraudulently declared that Massachusetts is her principal place of residence or business.

Subsection (a)(9) supports disciplinary action if a Massachusetts producer's license has been denied, suspended or revoked in any other state. The exhibits fully support a *prima facie* case that Hunter's producer license was revoked in eight other jurisdictions.¹⁵ The Division asserts that six of those revocations support disciplinary action against her pursuant to (a)(9).¹⁶

The responses that Hunter filed on February 29, 2016 and April 7, 2016 to the OTSC and to the motion for Summary Decision, although styled as objections to jurisdiction, also oppose the merits of the Division's claims that her licenses were revoked in other jurisdictions. Hunter asserts that litigation in Florida naming her as a defendant started a criminal conspiracy against her by the NAIC. She alleges that various states have created void and fraudulent documents against her, and that they refuse to acknowledge that those documents are void and fraudulent. Hunter contends that there were irregularities in the Texas, Florida, California, Indiana, Ohio, Illinois, Wyoming and Virginia administrative proceedings that

¹⁵ Exhibit 22 to the OTSC only documents the initiation of an administrative proceeding by West Virginia against Hunter. No final order documenting the outcome of that proceeding was submitted into evidence. No documents support Hunter's assertions that the Florida and California decision were reversed.

¹⁶ The six are Texas, Florida, Indiana, Illinois, Ohio and California. No reason is given for excluding Virginia and Kentucky from this group.

resulted in license revocations. She asserts, in particular, that the Texas and California revocations were rescinded before they became final.

Hunter expresses her objections to the OTSC in the form a narrative, unsupported by any documentary evidence supporting her assertions.¹⁷ She refers to her post-hearing challenges to the state administrative actions, but attached no evidence that any of the revocation orders that the Division relied on as evidence was stayed, reversed, vacated or amended in any way. Hunter submitted no documents that raise a question about the authenticity of the exhibits attached to the OTSC or challenge the sufficiency of the evidence to support the Division's claims that her producer license had been revoked in those states. I find that there are no material issues of fact with respect to the Division's claims that Hunter is subject to disciplinary action under (a)(9).

The Division asserts that Hunter violated M.G.L. c. 175, §162V(a) because she failed to report the administrative actions taken against her in Texas, Florida, Indiana, Illinois, Ohio, West Virginia and California within 30 days of the final disposition of the matter. For the reasons set out in the discussion of M.G.L. c. 175, §162R (a)(1) above, I conclude that the evidence is insufficient to support the Division's claims with respect to Texas, Florida, California, and Indiana, all of which occurred within the time period addressed in blanket correspondence from Hunter to insurance regulators. As noted above, because the Division provided no evidence of the final disposition of the West Virginia action, it has not supported a claim based on Hunter's failure to report such a decision. With respect to the Ohio and Illinois revocations, both of which occurred after Hunter's last memorandum to NIPR and insurance regulators, Hunter did not challenge the Division's allegations, and I find that, by failing to report those administrative actions, she violated M.G.L. c. 175, §162V(a).¹⁸

The Division alleges that Hunter violated M.G.L. c.175, §182 by offering a special inducement in the form of a rebate for purchasing insurance from her. It submitted one document, a single page from an undated brochure for Chase Financial Services that would

¹⁷ The Division, in its motion for summary decision, refers to Hunter's responses as an "answer" to the OTSC. The Standard Adjudicatory Rules of Practice and Procedure, at 1.01 (6)(d)(2) set the standards for answers to OTSCs. Answers must contain full, direct and specific answers to each allegation. None of Hunter's submissions conform to that standard.

¹⁸ The OTSC does not allege that Hunter failed to report the Wyoming or Virginia decisions revoking her licenses in those states.

enable the customer to “[s]ave up to \$39 off your next purchase by using coupon code B728.”¹⁹ Section 182 prohibits offering as an inducement to purchase a policy anything of value not specified in the policy or offering to rebate any premium paid. The Division refers to the coupon as a rebate; it does not appear to reduce the premium for a current purchase but holds out the possibility of saving money on a future purchase. The Division provided no the time frame or facts on the geographical areas in which the brochure was distributed. I find that the evidence is insufficient to support the Division’s claim that Hunter violated M.G.L. c. 175, §182.

The Division alleges that Hunter violated M.G.L. c. 176D, §3 (2) because her website indicates that she is licensed to sell insurance in 46 states, when she is not licensed in eight of those states. It submitted a single document to support that claim. That undated document is a photocopy of a page from a mailer from Chase Financial Services and, although it refers to providing quotes in all United States jurisdictions, makes no reference to licensure except in California. I find that the evidence is insufficient to support the Division’s claim that Hunter violated M.G.L. c. 176D, §3 (2).²⁰

In summary, on this record I find that Hunter is subject to discipline pursuant to the subsections of M.G.L. c. 175, §162R as follows: A) (a)(1), failure to report one license revocation on her producer license renewal application; B) (a)(2), failure to respond to orders from the Insurance Commissioners in five states; C) (a)(3), obtaining a renewal license through misrepresentation; D) (a)(8), engaging in dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business; and E) (a)(9), having an insurance producer license revoked in six states. I also find that Hunter violated M.G.L. c. 175, §162V (a) by failing to report two administrative actions against her to the Division within the statutory time frame.

The number and nature of the grounds that the Division cites for taking disciplinary action against Hunter fully warrant its request to revoke her Massachusetts insurance producer license. On this record, I find that, in addition to revocation of her license, Hunter should be prohibited from transacting any insurance business, directly or indirectly, in Massachusetts, and should be required to dispose of any interests she may have in any insurance business in Massachusetts.

¹⁹ Exhibit 36 to the OTSC.

²⁰ Exhibit 34 to the OTSC.

M.G.L. c.175, §162R (a), in addition to authorizing the Commissioner to revoke a license, permits him to levy a civil penalty in accordance with M.G.L. c. 176D, §7 ("Section 7 fine") for any of the causes listed in Section 162R (a). The maximum penalty permitted under M.G.L. c. 176D, §7 is \$1,000 per violation. Violations of M.G.L. c. 175, §162V (a) may, pursuant to M.G.L. c. 175, §194, incur a fine of not more than \$500 per violation. The Division seeks Section 7 fines under each of the six sections of 162R (a) that, it argues, support disciplinary action against Hunter. Decisions in administrative proceedings seeking license revocation distinguish grounds for disciplinary action that arise from the respondent's affirmative acts from grounds arising from administrative or judicial actions initiated by third parties to revoke or suspend the respondent's licensee. They do not impose fines for acts in other jurisdictions underlying that state's disciplinary actions, or impose multiple fines for a particular action that may support disciplinary action under more than one subsection of §162R (a).

Reviewing the Division's request for fines under those principles, I find that Hunter should be fined for her failure to report the revocation of her Ohio producer license on her 2014 Massachusetts license renewal application, an action that may support disciplinary action under both (a)(1) and (a)(3). I will therefore impose a fine of \$1,000 for that failure. The Division's request for fines under (a)(2) are all based on Hunter's alleged failure to comply with the laws of other states or orders of their Commissioners of Insurance. It does not claim that she is subject to disciplinary action under (a)(2) for failure to comply with any Massachusetts statutes or orders. I therefore find that fines under (a)(2) are not appropriate. Similarly, the Division seeks Section 7 fines under (a)(7) and (a)(8) for actions that were the basis of disciplinary action in other jurisdictions, but offers no evidence that those events affected Massachusetts citizens, or that Hunter engaged in activities in the Commonwealth that would directly support disciplinary action. Therefore I will not impose fines under those two sections. The Division's support for disciplining Hunter under (a)(9) is based entirely on administrative actions against her by other jurisdictions, and I find no basis for imposing Section 7 fines on her under that section.

I find that Hunter should be fined for her two violations of M.G.L. c 175, §162V (a). Because administrative actions against a licensee are directly relevant to the ability of other jurisdictions to evaluate the person's continued eligibility for licensure in that state, failure to report such actions is significant. I therefore impose the maximum \$500 fine for each of those two violations.

ORDERS

Accordingly, after due notice, hearing and consideration it is

ORDERED: That any and all insurance producer licenses issued to Chase Carmen Hunter by the Division are hereby revoked; and it is

FURTHER ORDERED: that Chase Carmen Hunter shall return to the Division any licenses in her possession, custody or control; and it is

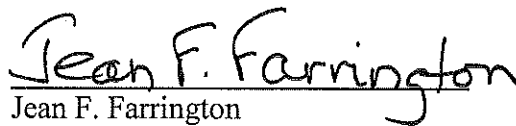
FURTHER ORDERED: that Chase Carmen Hunter shall cease and desist from the conduct alleged in the Order to Show Cause; and it is

FURTHER ORDERED: that Chase Carmen Hunter is, from the date of this order, prohibited from directly or indirectly transacting any insurance business in or acquiring, in any capacity whatsoever, any insurance business in the Commonwealth of Massachusetts; and it is

FURTHER ORDERED: that Chase Carmen Hunter shall comply with the provisions of Chapter 175, §166B and dispose of any and all interests in Massachusetts as proprietor, partner, stockholder, officer or employee of any licensed insurance producer; and it is

FURTHER ORDERED: that Chase Carmen Hunter shall pay a fine of Two Thousand Dollars (\$2,000) to the Division within 30 days of the entry of this order.

This decision has been filed this 17th day of October 2017, in the office of the Commissioner of Insurance. Copies shall be sent to Chase Carmen Hunter by regular first class mail, postage prepaid.


Jean F. Farrington
Presiding Officer

Pursuant to Chapter 26, §7, this decision may be appealed to the Commissioner of Insurance.

Sent to Carmen Chase Hunter at the following addresses:

340 S. Lemon Ave, #9039, Walnut, CA 91789-2706

29 Church Street, West Springfield, MA 01089