

DEC 05 2012

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	FINDINGS OF FACT, CONCLUSIONS
)	OF LAW, RECOMMENDED ORDER
PETITIONER,)	AND ORDER
)	
VS.)	CAUSE NO. A-1959
)	
DOUGLAS E. INLAY,)	
NAIC National Producer #1432836)	
)	
RESPONDENT.)	

This matter came on for hearing on the 16th day of October, 2012, before Martin W. Swanson, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its attorney, Mike Boyd. Douglas E. Inlay ("Respondent") was not present and was not represented by an attorney. The proceedings were tape recorded by Tracy Gruhn, a licensed Notary Public. Evidence was received, testimony was adduced and the matter was taken under advisement. As a result of the hearing, the hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. Respondent was a licensed insurance producer whose registered business address with the Nebraska Department of Insurance is Agency One Insurance, 4300 S. Lakeport Street, Suite 104, Sioux City, Iowa 51106-9533. Respondent's insurance producer's license was suspended by the Department in A-1901 on March 15, 2011. Respondent's license expired on December 31, 2011, and was not renewed.

2. Service was attempted to be made on Respondent by mailing a copy of the Petition and Notice of Hearing to his listed business and home address. The certified letter was returned to the Department on September 24, 2012 as “Not Deliverable as Addressed-Unable to Forward.” A letter was sent to his registered home address with the Department. It is unclear as to the status of that letter; however, the letter was sent to a residence, as denoted below, that was not where Respondent actually had a residence as registered with the Department. E1.

3. Respondent was issued a resident insurance producer license on June 8, 2010, by the Nebraska Department of Insurance; however, on the application he listed his address as 419 W.23rd Street, South Sioux City, NE 68776. His actual residence is 116 Grandy Street, Sioux City, IA 51106. His business address is listed as Agency One Insurance, 4300 S. Lakeport Street, Suite 104, Sioux City, IA 51106-9533. The Nebraska Department of Insurance was unaware that his actual address was in Iowa not in Nebraska until an investigation was opened on Respondent. Had that information been known at that time, the Department would have denied his insurance producer license application. E1,2.

4. The Department received information regarding a complaint about the sale of insurance to an individual after the Respondent’s license was suspended. Carol McDermitt (“McDermitt”), an insurance investigator with the Consumer Affairs Division, led the investigation on behalf of the Department.

5. During the course of her investigation, McDermitt talked with an associate of Respondent’s in the Iowa office and learned that Respondent had never lived at the Nebraska address given to the Department in the previous application.

6. The investigation also revealed that in August of 2011, the Iowa Insurance Division had filed a statement of charges against Respondent, specifically *In the Matter of Douglas Inlay*

CRD No. 4770488. Respondent did not appear at the hearing. The state of Iowa revoked Respondent's license on October 18, 2011, and the revocation became final fifteen days later. This administrative action was not reported to the Department. E2.

7. The Department, via the affidavit of Jason McCartney ("McCartney") and the testimony of McDermitt, provided evidence that Respondent was not an appointed producer with any of the MetLife Insurance Companies ("MetLife") or Progressive Northern Insurance Company ("Progressive"). McDermitt further found that Respondent had been soliciting, selling and negotiating insurance for MetLife and Progressive but placing that business through Agency One Insurance ("Agency One") out of David City, Nebraska or through the business operation in Sioux City, Iowa. According to McDermitt's investigation, Respondent was allowed access to the Agency One accounts and would place business in other licensed producers' names. Subsequently, those producers denied placing the business with the aforementioned companies. E2;4-11.

CONCLUSIONS OF LAW

1. The Department has jurisdiction and control over the licensing of Respondent to sell insurance in the State of Nebraska pursuant to Neb. Rev. Stat. §44-101.01 and §44-4001 et seq.
2. The Department has personal jurisdiction over Respondent.
3. Respondent committed multiple violations of Neb. Rev. Stat. §§44-4059(1)(a), 44-4059(1)(b), 44-4059(1)(h), 44-4061(1), 44-4065(1), and also violated Neb.Rev.Stat. §44-4053(1).

DISCUSSION

In looking at the totality of the circumstances, Respondent has lied to the Department on his application, lied to various clients, and has apparently lied to fellow insurance producers. The depth of deception is deep and can only be addressed by the severest sanction that the Department can issue, namely, revocation.

RECOMMENDED ORDER

It is the recommendation of this Hearing Officer that Respondent's insurance producer license should be placed on a revoked status.

Dated this 5th day of December, 2012.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Martin W. Swanson
Hearing Officer

CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of this Department in the matter of State of Nebraska, Department of Insurance vs. Douglas E. Inlay, Cause Number A-1959.

Dated this 5 day of December, 2012.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



BRUCE R. RAMGE
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order, and Order was served upon the Respondent by mailing a copy to Respondent at Agency One Insurance, 4300 S. Lakeport Street, Suite 104, Sioux City, Iowa 51106-9533, by certified mail, return receipt requested, and to 419 West 23rd Street, South Sioux City, NE 68776, by regular US mail, on this 5th day of December, 2012.


