

**SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
DIVISION OF INSURANCE**

IN THE MATTER OF) **FINAL DECISION**
WILLIAM RUIZ DE CASTILLA)
)

After reviewing the record and the proposed decision of the Hearing Examiner in this matter,

IT IS HEREBY ORDERED that pursuant to SDCL 1-26D-4, the Hearing Examiner's Proposed Findings of Fact, Conclusions of Law and Proposed Order, dated September 5, 2016 are adopted in full; and it is further

ORDERED the South Dakota non-resident insurance producer license of William Ruiz De Castilla is hereby revoked.

Parties are hereby advised of the right to further appeal the final decision to Circuit Court within (30) days of receiving such decision, pursuant to the authority of SDCL 1-26.

Dated this 10TH day of September, 2016.



Marcia Hultman, Secretary
South Dakota Department of Labor and Regulation
700 Governors Drive
Pierre, SD 57501

**STATE OF SOUTH DAKOTA
OFFICE OF HEARING EXAMINERS**

**IN THE MATTER OF
WILLIAM RUIZ DE CASTILLA**

**PROPOSED DECISION
DLR 16-04**

V.

DIVISION OF INSURANCE

An administrative hearing was held in this matter on August 10, 2016. Licensee, William Ruiz De Castilla (De Castilla), did not appear or testify at the hearing. The Division of Insurance (Division) was represented by Frank Marnell. The Division had a witness, Gretchen Brodkorb. Based on the evidence, the arguments of the parties, and the law, the Hearing Examiner enters the following Findings of Fact, Conclusions of Law, and Proposed Order.

ISSUES

Whether De Castilla failed to report to the Division an administrative action against him by the States of Virginia, Washington, and North Dakota?

Whether De Castilla failed to report the administrative action to the Division within 30 days?

Whether De Castilla failed to respond to inquiries from the Division?

Whether the Division may revoke De Castilla's license as an insurance producer?

FINDINGS OF FACT

I.

De Castilla signed a Consent Order on September 29, 2015. He agreed to follow the insurance laws and regulations of the State of South Dakota.

II.

De Castilla was licensed by the Division as an insurance producer on October 3, 2014. His license is currently active.

III.

De Castilla's license number is 30618.

IV.

On or about May 22, 2015, the State of Virginia took administrative action against De Castilla's insurance producer license.

V.

De Castilla did not report the Virginia administrative action to the Division.

VI.

On August 17, 2015, the Division sent De Castilla an inquiry letter regarding the Virginia administrative action.

VII.

The Division sent the inquiry letter to De Castilla at his address of record, 7618 Braun BND, San Antonio Texas, 78250.

VIII.

De Castilla did not respond to the Division's August 17, 2015 letter.

IX.

On September 24, 2015, the Division sent another inquiry letter via first class and certified mail regarding the Virginia administrative action to De Castilla at the same address.

X.

United States Postal Service records indicate the Division's September 24, 2015 letter was delivered to San Antonio, Texas and was unclaimed.

XI.

The letter was returned to the Division on or about October 17, 2015.

XII.

Because De Castilla failed to report an administrative action from another state and failed to respond to the Division, a hearing on a potential revocation of his license was scheduled for August 10, 2016.

XIII.

Any additional findings included in the Reasoning section of this decision are incorporated herein by this reference. To the extent any of the foregoing are improperly designated and are instead conclusions of law, they are hereby redesignated and incorporated herein as conclusions of law.

REASONING

De Castilla failed to report out-of-state administrative actions to the Division. SDCL 58-30-193 provides that an insurance producer shall report to the director any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of

the matter. This report shall include a copy of the order, consent order, or other relevant legal documents.

The Division of Insurance has the authority to revoke a license for violating insurance laws in other states. SDCL 58-30-167(2) states that the director may suspend for not more than twelve months, or may revoke or refuse to continue, any license issued under this chapter, or any license of a surplus lines broker after a hearing. Notice of such hearing and of the charges against the licensee shall be given to the licensee and to the insurers represented by such licensee or to the appointing agent of a producer at least twenty days before the hearing. The director may suspend, revoke, or refuse to issue or renew an insurance producer's license or may accept a monetary penalty in accordance with § 58-4-28.1 or any combination thereof, for violating any insurance laws or rules, subpoena, or order of the director or of another state's insurance director, commissioner, or superintendent. At the conclusion of the matter, the director shall send a letter to the licensee, the insurers represented by such licensee, and the appointing agent of a producer, stating the final determination of the matter.

De Castilla failed to respond to letters sent to him by the Division. Unfair or deceptive acts or practices in the business of insurance include failing to respond to an inquiry from or failing to supply documents requested by the Division of Insurance within twenty days of receipt of such inquiry or request. SDCL 58-33-66

In this case, Castilla agreed that he would follow South Dakota's insurance rules and regulations. However, he failed to report an administrative action from Virginia. Then Castilla failed to respond to letters from the Division about the administrative actions. The evidence shows that the Director of the Division of Insurance may revoke his insurance producers license.

CONCLUSIONS OF LAW

I.

The Division has jurisdiction over Castilla and the subject matter of this contested case. The Office of Hearing Examiners has authority to conduct the appeal pursuant to the provisions of SDCL 1-26D.

II.

Castilla violated the requirements of SDCL 58-30-193 in failing to advise the Division within thirty days of the State of Virginia's administrative action against his insurance license.

III.

The failure of Castilla to report the state of Virginia's administrative action against his insurance producer license is grounds for sanction by the Division pursuant to SDCL 58-30-167(2).

IV.

Castilla committed an unfair or deceptive act in the business of insurance by failing to respond to an inquiry from the Division within twenty days as required by SDCL 58-33-66(1).

V.

These violations of the statutes permit the Director of the Division of Insurance to revoke Castilla's insurance producer license and/or impose other sanctions as set forth in SDCL 58-30-167 & 58-30-192..

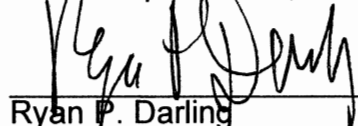
VI.

Any Conclusions of Law in the reasoning section of this decision are incorporated herein by reference. To the extent any of the foregoing are improperly designated and are instead findings of fact, they are hereby redesignated and incorporated herein as findings of fact.

PROPOSED ORDER

It is the Proposed Order of the Hearing Examiner that the license of William Ruiz De Castilla be revoked.

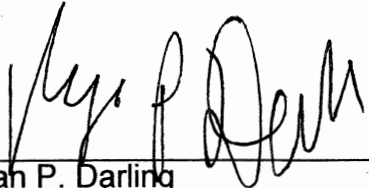
Dated September 5, 2016.



Ryan P. Darling
Office of Hearing Examiners
523 East Capitol
Pierre SD 57501

CERTIFICATE OF SERVICE

I certify that on September 6, 2016, at Pierre, South Dakota, a true and correct copy of this Decision was mailed to each of the parties listed below.



Ryan P. Darling

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