

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

**IN THE MATTER OF** )  
**ROBERT ALLEN CHRISTIAN** ) **FINAL DECISION**  
**LICENSEE** ) **INS 14-21**

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 February 19, 2015 is adopted in full.

IT IS FURTHER ORDERED that the South Dakota Non-resident Insurance Producer License of Robert Allen Christian will hereby be 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 26<sup>th</sup> day of February 2015



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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  
ROBERT ALLEN CHRISTIAN**

**PROPOSED ORDER  
DLR/INSURANCE 14-21**

An administrative hearing in the above matter was held on February 13, 2015. Robert Allen Christian (hereinafter sometimes referred to as "Christian" or "Licensee") failed to appear. Mr. Frank Marnell appeared as counsel for the Division of Insurance (hereinafter sometimes referred to as "Division"). The matter was tape recorded. There is no written transcript of the tape; therefore no citation to page number will be included. Exhibits 1 through 5 were admitted and will be denoted by EX followed by the appropriate number.

**ISSUE**

Whether the Resident Insurance Producer License of Robert Allen Christian should be revoked due to his failure to respond in a timely manner to the South Dakota Division of Insurance inquiries (dated July 21, 2014 and August 19, 2014) regarding a North Dakota administrative action. (SDCL 58-33-66(1), SDCL 58-30-167(2) & (8), 58-33-68, 58-30-193)

**FINDINGS OF FACT**

I.

Robert Allen Christian possesses an active Resident Insurance Producer License from the State of South Dakota. Mr. Christian was originally licensed in South Dakota on August 9, 2013. His license is scheduled to expire on November 30, 2015. (EX 1)

II.

Amy Ondell, Compliance Specialist, for the South Dakota Division of Insurance for over two years obtained information that there had been an administrative action taken against Christian in North Dakota. Mr. Christian had not reported this action to the Division of Insurance. (EX 2)

III.

The consent order revoking Mr. Christian's non-resident insurance producer's license in North Dakota was signed on May 28, 2014. Mr. Christian did not report this action to the South Dakota Division of Insurance within thirty days of the final disposition of the matter as required by statute.

IV.

Mr. Christian's non-resident insurance producer's license was revoked in North Dakota because he did not disclose he had received an 18 U.S.C. 1033 waiver from the State of South Dakota to

engage in the business of insurance. He also failed to report that he was convicted of the following crimes which he did not reveal on his North Dakota application:

1/21/88	Two convictions for felony Possession of Stolen Property and served two six-month sentences to run concurrently
10/3/97	Breach of Trust (money taken from employer), misdemeanor
10/27/97	Breach of Trust (money taken from employer), misdemeanor
10/27/97	Giving False Information to Police, misdemeanor

#### V.

Ms. Ondell wrote Mr. Christian a letter on July 21, 2014 inquiring why Christian had not reported the North Dakota administrative action to the Division. (EX 2) He was given twenty days upon receipt to respond. The July 21, 2014 letter was mailed via first class mail to Christian at 718 W. 8<sup>th</sup> Street, Apartment 2, Sioux Falls, SD, 57104-2959. (EX 3) This was the mailing address listed on the Individual Information Inquiry from the Sircon database for Christian on file with the Division. (EX 1) Mr. Christian did not respond to Ms. Ondell's inquiry.

#### VI.

Ms. Ondell sent a second letter Mr. Christian on August 19, 2014 wherein Christian was given notice that the Division had not received the information that was requested from him in the July 21, 2014 letter. Ms. Ondell requested Christian's information regarding the North Dakota administrative action. Mr. Christian was again given twenty days to respond and was warned that if he failed to provide the requested information within twenty days the Division would be pursuing an administrative action against him. (EX 4) The August 19, 2014 letter was mailed via first class mail and first class certified mail to Christian at 718 W. 8<sup>th</sup> Street, Apartment 2, Sioux Falls, SD, 57104-2959. (EX 4 & 5) This was the mailing address listed on the Individual Information Inquiry from the Sircon database for Christian on file with the Division. (EX 1) The letter sent via certified mail was delivered to Christian on August 22, 2014 at 11:25 a.m. (EX 5) Mr. Christian did not respond to Ms. Ondell's inquiry.

#### VII.

Any additional Findings of Fact included in the Reasoning section of this decision are incorporated herein by reference.

#### VIII.

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

This case involves a request by the Division of Insurance to revoke the South Dakota Non-Resident Insurance Producer's License of Robert Allen Christian. As a consequence of the

potential loss of Petitioner's livelihood from the lack of licensure, the burden of proof in this matter is higher than the preponderance of evidence standard, which applies in a typical administrative hearing. "In matters concerning the revocation of a professional license, we determine that the appropriate standard of proof to be utilized by an agency is clear and convincing evidence." *In re Zar*, 434 N.W.2d 598, 602 (S.D. 1989). Our Supreme Court has defined "clear and convincing evidence" as follows:

The measure of proof required by this designation falls somewhere between the rule in ordinary civil cases and the requirement of our criminal procedure, that is, it must be more than a mere preponderance but not beyond a reasonable doubt. It is that measure or degree of proof which will produce in the mind of the trier of facts a firm belief or conviction as to the allegations sought to be established. The evidence need not be voluminous or undisputed to accomplish this.

*Brown v. Warner*, 78 S.D. 647, 653, 107 NW2d 1, 4 (1961). Mr. Christian did not appear at the hearing.

Amy Ondell, Compliance Specialist for the South Dakota Division of Insurance, found that Christian had not reported an administrative action taken in the state of North Dakota. (EX 2) The necessity of reporting administrative actions is addressed in SDCL 58-30-193 as follows:

**58-30-193. Report by insurance producer of any administrative action taken against insurance producer.** 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.

Furthermore, Mr. Christian failed to respond in a timely manner to inquiries made by the Division (dated July 21, 2014 and August 19, 2014) regarding the North Dakota administrative action in violation of SDCL 58-33-66(1). That statute, in pertinent part, reads as follows:

**SDCL 58-33-66. Unfair or deceptive insurance practices.** Unfair or deceptive acts or practices in the business of insurance include the following:

- (1) 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;...

In deciding to revoke an insurance producer's license the Division looks to SDCL 58-33-68 for guidance as follows:

The Division of Insurance, in interpreting and enforcing §§ 58-33- 66 and 58-33- 67, shall consider all pertinent facts and circumstances to determine the severity and appropriateness of action to be taken in regard to any violation of §§ 58-33-66 to 58-33-69, inclusive, including but not limited to, the following:

- (1) The magnitude of the harm to the claimant or insured;
  - (2) Any actions by the insured, claimant, or insurer that mitigate or exacerbate the impact of the violation;
  - (3) Actions of the claimant or insured which impeded the insurer in processing or settling the claim;
  - (4) Actions of the insurer which increase the detriment to the claimant or insured. The director need not show a general business practice in taking administrative action for these violations.
- However, no administrative action may be taken by the director for a violation of this section unless the insurer has been notified of the violation and refuses to take corrective action to remedy the situation.

Any administrative action taken by the director shall be pursuant to the provisions of chapter 1- 26. (emphasis added)

Christian was given notice of the violation and he refused to take corrective action in that he failed to respond to the Division of Insurance within twenty days of receiving the letters dated July 21, 2014 and August 19, 2014 from Ms. Ondell.

Additionally, the Division will consider SDCL 58-30-167. Mr. Christian violated subsections (2) and (8) of SDCL 58-30-167 which are set forth in pertinent part below:

**58-30-167. Causes for revocation, refusal to issue or renew license, or for monetary penalty-- Hearing--Notice.** 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 any one or more of the following causes:...

(2) Violating any insurance laws or rules, subpoena, or order of the director or of another state's insurance director, commissioner, or superintendent;....

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

Applying the law to the Findings of Fact set forth above, it is clear that the Resident Insurance Producer License of Robert Allen Christian should be revoked.

## CONCLUSIONS OF LAW

### I.

The Division of Insurance has jurisdiction over the parties and subject matter of this hearing pursuant to Title 58 of the South Dakota Codified Laws. The Office of Hearing Examiners is authorized to conduct the hearing and issue a proposed decision pursuant to the provisions of SDCL 1-26D-4.

### II.

The Amended Notice of Hearing was issued on December 30, 2014 by the South Dakota Division of Insurance.

### III.

Neither Robert Allen Christian nor anyone on his behalf appeared at the scheduled and noticed time of the hearing.

### IV.

The Division of Insurance bears the burden of establishing the alleged statutory violations by clear and convincing evidence.

### V.

The Division of Insurance established by clear and convincing evidence that Robert Allen Christian committed unfair or deceptive insurance practices by violating SDCL 58-33-66(1).

### VI.

The Division of Insurance established by clear and convincing evidence that Robert Allen Christian committed unfair or deceptive insurance practices by violating SDCL 58-30-193.

### VII.

The Division of Insurance established by clear and convincing evidence that the South Dakota Resident Insurance Producers License of Robert Allen Christian is subject to revocation pursuant to SDCL 58-30-167(2) and (8).

### VIII.

The Division of Insurance established by clear and convincing evidence that the South Dakota Resident Insurance Producers License of Robert Allen Christian should be revoked.

IX.

Any additional Conclusions of Law included in the Reasoning section of this decision are incorporated herein by reference.

X.

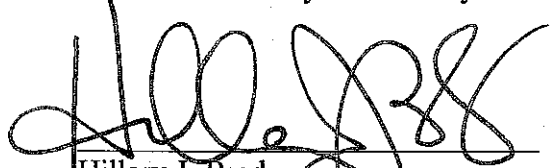
To the extent any of the foregoing are improperly designated and are instead Findings of Fact, they are hereby redesignated and incorporated herein as Findings of Fact.

Based on the above Findings of Fact, Reasoning and Conclusions of Law, the Hearing Examiner enters the following:

**PROPOSED ORDER**

The South Dakota Non-Resident Insurance Producers License of Robert Allen Christian should be revoked.

Dated this 19<sup>th</sup> day of February 2015



Hillary J. Brady  
Office of Hearing Examiners  
523 E. Capitol Avenue  
Pierre, South Dakota 57501-1538

**CERTIFICATE OF SERVICE**

I certify that on February 19, 2015, at Pierre, South Dakota, a true and correct copy of this Proposed Order was mailed to each of the parties listed below.



Ashley Couillard

ROBERT CHRISTIAN  
718 W 8<sup>TH</sup> STREET APT 2  
SIOUX FALLS SD 57104-2959

FRANK MARNELL  
SENIOR LEGAL COUNSEL  
DIVISION OF INSURANCE  
124 SOUTH EUCLID AVE., 2ND FLOOR  
PIERRE, SD 57501