

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

IN THE MATTER OF  
LORETTA MORRIS

INS 22-01

NOTICE OF ENTRY OF PROPOSED  
FINDINGS OF FACT, CONCLUSION OF LAW,  
AND DECISION AND FINAL DECISION

NOTICE IS HEREBY GIVEN, that attached hereto, is a true and correct copy of the Proposed Findings of Fact, Conclusions of Law, and Decision, and Final Decision entered by Marcia Hultman, Secretary of the South Dakota Department of Labor and Regulation, on March 1, 2022.

Dated this 1 day of March, 2022 in Pierre, SD.



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Frank A. Marnell, Senior Legal Counsel  
South Dakota Division of Insurance  
124 S. Euclid Ave., 2<sup>nd</sup> Floor  
Pierre, SD 57501  
(605) 773-3563

**CERTIFICATE OF SERVICE**

The undersigned does hereby certify that on the date shown below, a true and correct copy of the Proposed Findings of Fact, Conclusions of Law, and Decision, and Final Decision with respect to the above-entitled action was sent U.S. Certified Mail and First-Class Mail thereon, to the following:

LORETTA MORRIS  
908 East 100<sup>th</sup> Place  
Chicago, IL 60628

And the following via U.S. First Class Mail only:

LORETTA MORRIS  
908 East 100<sup>th</sup> Place  
Chicago, IL 60628

CITIZENS INS COMPANY OF AMERICA  
PATRICIA BOMBARD  
440 LINCOLN ST  
WORCESTER, MA 01653

LORETTA MORRIS  
30 N La Salle Street, Suite 2500  
Chicago, IL 60602-2514

THE HANOVER AMERICAN INS. CO.  
PATRICIA BOMBARD  
440 LINCOLN ST  
WORCESTER, MA 01653

ALLMERICA FIN. ALLIANCE INS CO  
PATRICIA BOMBARD  
440 LINCOLN ST  
WORCESTER, MA 01653

HANOVER INSURANCE COMPANY  
PATRICIA BOMBARD  
440 LINCOLN ST  
WORCESTER, MA 01653

ALLMERICA FIN. BENEFIT INS CO  
PATRICIA BOMBARD  
440 LINCOLN ST - N271  
WORCESTER, MA 01653

MASSACHUSETTS BAY INS.  
COMPANY  
PATRICIA BOMBARD  
440 LINCOLN ST  
WORCESTER, MA 01653

Dated this \_\_\_\_\_ day of March, 2022 in Pierre, South Dakota.



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Frank A. Marnell, Senior Legal Counsel  
South Dakota Division of Insurance  
Dept. of Labor and Regulation  
124 S. Euclid Ave.  
Pierre, SD 57501

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

**IN THE MATTER OF  
LORETTA MORRIS**

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)

**FINAL DECISION  
INS 22-01**

After reviewing the record and the proposed order 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 24, 2022, is adopted in full.

IT IS FURTHER ORDERED that the South Dakota Non-resident Insurance Producer License of the respondent 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   1   day of March, 2022.



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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  
LORETTA MORRIS**

**INS 22-01  
PROPOSED DECISION**

This matter came for hearing before the Office of Hearing Examiners on February 18, 2022, pursuant to a Notice of Hearing issued by the South Dakota Division of Insurance (“Division”) on January 6, 2022.<sup>1</sup> Frank Marnell appeared as counsel for the Division with a witness, Gavin Munson. Loretta Morris did not appear, either in person or through counsel. The Division admitted its Exhibits 1 through 9 into evidence through its witness and then moved that the Hearing Examiner enter these Proposed Findings of Fact, Conclusions of Law, and Proposed Decision as a default disposition to this contested case.

**ISSUE**

Whether the Non-Resident Insurance Producer License of Loretta Morris should be revoked due to failing to timely respond to the Division; failing to timely report an administrative action(s) to the Division; for demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere; and for having administrative actions in other states resulting in revocation, nonrenewal, and/or fines in violation of SDCL 58-30-167(2), (8), and (9), 58-30-193, 58-33-66, 58-33-68 and 58-30-193.

**FINDINGS OF FACT**

1. Loretta Morris was licensed by the Division as an insurance producer on August 29, 2018. The license is currently active. (Exhibit 1).
2. Loretta Morris was the subject of administrative actions in other jurisdictions as follows:
  - a. State of Virginia, March 9, 2021, monetary penalty of \$500 for failing to report other states’ actions (Exhibit 2);
  - b. State of Pennsylvania, March 24, 2021, monetary penalty for failing to report other state actions (Exhibit 3);
  - c. State of Indiana, April 14, 2021, license nonrenewed for failing to disclose criminal history and failing to report other state actions (Exhibit 4);
  - d. State of Oregon, July 27, 2021, \$1,000 monetary penalty and license nonrenewed for failing to disclose criminal history on original application (Exhibit 5); and

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<sup>1</sup> The Division’s Notice of Hearing incorrectly lists the year as “2021” instead of “2022”.

- e. State of Washington, September 7, 2021, license revoked for failing to report other state's action (Exhibit 6).
3. Loretta Morris did not report the administrative actions to the Division.
4. The Division sent inquiries to Loretta Morris at the address of record regarding licensure matters. (Exhibits 7-9).
5. Loretta Morris did not respond to the Division's inquiries. (Exhibit 7-9).
6. Any additional Findings of Fact included in the Reasoning section of this decision are incorporated herein by reference.
7. 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 to revoke the South Dakota Insurance Producer's License of Loretta Morris. As a consequence of the potential loss of Respondent'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).

SDCL 58-30-193 states that "[A]n insurance producer shall report to the director any administrative action taken against the insurance producer in another jurisdiction... 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." SDCL 58-33-66(1) requires Loretta Morris to respond to the Division and supply requested documents within twenty days from the receipt of a request. In addition, the Division considers SDCL 58-30-167 (shown in pertinent part) as follows:

The director may... revoke or refuse to continue, any license issued under this chapter... after a hearing... The director may... revoke... an insurance producer's... 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;
- (9) Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory;

The evidence indicates that Loretta Morris violated the insurance laws of other jurisdictions, failed to report those actions imposing fines, revoking her license, or ordering her to cease and desist. During the Division's investigation, Loretta Morris failed to respond to Division inquiries regarding the action. The evidence further indicates that Loretta Morris used fraudulent, coercive, or dishonest practices, or demonstrated incompetence or untrustworthiness in the conduct of business. Applying the law to the Findings of Fact it is clear the Insurance Producer License of Loretta Morris is subject to revocation and should be revoked.

#### **CONCLUSIONS OF LAW**

1. The Division has jurisdiction over Loretta Morris and the subject matter of this contested case. The Office of Hearing Examiners is authorized to conduct the hearing and issue a proposed decision pursuant to SDCL 1-26D-4.
2. The Division bears the burden of establishing the alleged statutory violations by clear and convincing evidence.
3. The Division established by clear and convincing evidence that Loretta Morris violated SDCL 58-30-193.
4. The Division established by clear and convincing evidence that Loretta Morris violated SDCL 58-33-66.
5. The Division established by clear and convincing evidence that the South Dakota Non-Resident Insurance Producer License of Loretta Morris is subject to revocation pursuant to SDCL 58-33-167(2), (8) and (9).
6. Any additional Conclusions of Law included in the Reasoning section of this decision are incorporated herein by reference.

7. 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 DECISION**

It is the Proposed Decision of the Office of Hearing Examiners, that the South Dakota Non-Resident Insurance Producer License of Loretta Morris should be revoked.

Dated this 24 day of February, 2022.



Catherine Williamson, Chief Hearing Examiner  
Office of Hearing Examiners  
523 East Capitol  
Pierre, SD 57501

**CERTIFICATE OF SERVICE**

I certify on February 24, 2022, at Pierre, South Dakota, a true and correct copy of this Proposed Decision was mailed to each of the parties below.

  
Office of Hearing Examiners

LORETTA MORRIS  
908 EAST 100<sup>TH</sup> PLACE  
CHICAGO, IL 60628

THE HANOVER AMERICAN INS CO  
PATRICIA BOMBARD  
440 LINCOLN ST  
WORCESTER, MA 01653

LORETTA MORRIS  
30 N LA SALLE STREET, SUITE 2500  
CHICAGO, IL 60602-2514

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440 LINCOLN ST  
WORCESTER, MA 01653

ALLMERICA FIN. BENEFIT INS CO  
PATRICIA BOMBARD  
440 LINCOLN ST - N271  
WORCESTER, MA 01653

FRANK A. MARNELL  
SOUTH DAKOTA DIVISION OF  
INSURANCE  
124 S. EUCLID AVE., 2<sup>ND</sup> FLOOR  
PIERRE, SD 57501

CITIZENS INS CO OF AMERICA  
PATRICIA BOMBARD  
440 LINCOLN ST  
WORCESTER, MA 01653