

DEC 17 2019

STATE OF ARIZONA DEPT OF INSURANCE
DEPARTMENT OF INSURANCE BY AS 12/17/2019

In the Matter of:

PALMER, CHELSEA LYNN
(National Producer Number 18781766)

No. 19A-039-INS

ORDER

Respondent.

On December 10, 2019, the Office of Administrative Hearings, through Administrative Law Judge Diane Mihalsky, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Arizona Department of Insurance ("Director") on December 11, 2019, a copy of which is attached and incorporated by this reference. The Director has reviewed the Recommended Decision and enters the following Order:

1. The Director adopts the Recommended Findings of Fact and Conclusions of Law.
2. The Director adopts the Recommended Order, except to correct the following:
 - a) Page 2, line 24, should read: "8334 W. Troy St."
 - b) Page 2, line 25, should read: "11024 N. 28th Dr."
 - c) Page 4, line 13, should read: "Respondent's National Producer License No. **18781766**."
3. The Director orders that Chelsea Lynn Palmer's insurance producer license number 18781766 is revoked, effective immediately.

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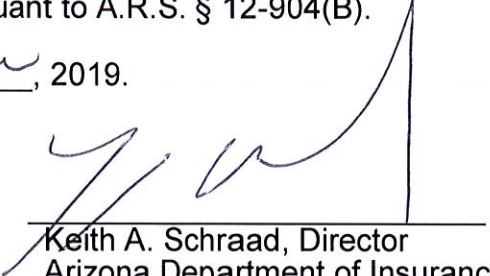
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1 **NOTIFICATION OF RIGHTS**

2 Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Respondent may
3 request a rehearing with respect to this order by filing a written motion with the Director of
4 the Department of Insurance within 30 days of the date of this Order, setting forth the basis
5 for relief under A.A.C. R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary
6 to request a rehearing before filing an appeal to Superior Court.

7 Respondent may appeal the final decision of the Director to the Superior Court of
8 Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal
9 must notify the Office of Administrative Hearings of the appeal within ten days after filing
10 the complaint commencing the appeal, pursuant to A.R.S. § 12-904(B).

11 DATED this 17th day of December, 2019.

12 
13 _____
14 Keith A. Schraad, Director
15 Arizona Department of Insurance
16
17

18 **COPY** of the foregoing electronically transmitted
19 this this 18th day of December, 2019, to:

20 Diane Mihalsky, Administrative Law Judge
21 Office of Administrative Hearings
<https://portal.azoah.com/submission>

22 **COPY** of the foregoing mailed same date
23 by U.S. First-Class Mail and Certified Mail,
24 Return Receipt requested, to:

25 Chelsea Lynn Palmer
26 8443 West Troy Street
Peoria, AZ 85383
Respondent

1 Chelsea Lynn Palmer
11024 North 28th Drive
2 Phoenix, AZ 85029
3 Respondent

4 **COPY** of the foregoing delivered, same date, to:

5 Mary Kosinski, Regulatory Legal Affairs Officer
Ana Starcevic, Paralegal Project Specialist
6 Catherine O'Neil, Consumer Legal Affairs Officer
Steven Fromholtz, Assistant Director – Consumer Protection Division
7 Aqueelah Currie, Licensing Supervisor
Linda Lutz, Legal Assistant
8 Arizona Department of Insurance
100 North 15th Ave., Suite 102
9 Phoenix, Arizona 85007-2624

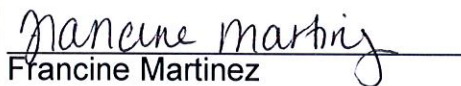
10 **COPY** sent same date via electronic mail to:

11 Deian Ousounov, Assistant Attorney General
12 AdminLaw@azag.gov
Attorney for the Department of Insurance

13 Susan Hack, Paralegal
14 Susan.hack@azag.gov
15 Office of the Attorney General

16 Felicia DelSol
17 Felicia.DelSol@azoah.com
Office of Administrative Hearings

18 Chelsea Lynn Palmer
19 Chelsea.palmer@yahoo.com
Respondent

20
21 
Francine Martinez

DEC 11 2019

DEPT. OF INSURANCE
BY: AS 12/11/2019

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of:

PALMER, CHELSEA LYNN
(National Producer No. 18781766)

Respondent

No. 19A-039-INS

**ADMINISTRATIVE LAW JUDGE
DECISION**

HEARING DATES: November 12, 2019, at 1:00 p.m. and December 10, 2019, at 3:00 p.m.

APPEARANCES: Chelsea Lynn Palmer ("Respondent") did not appear at the November 12, 2019 hearing date, but requested that the hearing be continued to allow her to comply with the Arizona Department of Insurance's ("the Department's") requirements for licensensure; Respondent failed to appear at the December 10, 2019 hearing date; the Department was represented on both hearing dates by Chloe Woods, Esq., Assistant Attorney General.

ADMINISTRATIVE LAW JUDGE: Diane Mihalsky

FINDINGS OF FACT

1. The Department referred this matter to the Office of Administrative Hearings ("OAH"), an independent state agency, for an evidentiary hearing.
2. On or about September 27, 2019, the Department issued a Notice of Hearing, setting a hearing on November 12, 2019, at 1:00 p.m. on the issue of whether cause existed under A.R.S. §§ 20-285(E)(1) and (2) and 20-295(A)(1) and (2) to discipline Respondent's insurance producer's license. The Department sent the Notice of Hearing to Respondent at her addresses of record via U.S. First-Class Mail and Certified Mail, Return Receipt.
3. The Department's attorney and witness appeared for the scheduled hearing on November 12, 2019. Although Respondent did not appear, the Department's attorney stated that she had contacted the Department to request that the hearing be

1 continued to allow her additional time to comply with the Department's requirements
2 and to keep her insurance producer's license.

3 4. On November 12, 2019, the Administrative Law Judge at OAH issued an
4 order setting a continued hearing on December 10, 2019, at 1:00 p.m. OAH staff sent
5 the order to Respondent at her address of record.

6 5. The Department submitted five exhibits and presented the testimony of
7 Aqueelah Currie, its Licensing Supervisor, at the December 10, 2019 continued hearing.

8 6. Respondent did not request to appear telephonically at the hearing and did not
9 request that the hearing again be continued. Respondent did not appear, personally or
10 through an attorney, and did not contact OAH to request additional time. Consequently,
11 Respondent did not present any evidence to defend her insurance producer's license.

12 HEARING EVIDENCE

13 7. Ms. Currie testified that persons who desire to be licensed as insurance
14 producers in Arizona are required to take an examination and, after they have passed
15 the examination, to file an application to the Department. Applicants are also required
16 to provide additional documentation, including their fingerprints, to allow the Department
17 to obtain a criminal background check from the Arizona Department of Public Safety
18 ("ADPS").

19 8. Ms. Currie testified that, after the Department issues a license, licensees are
20 required to notify the Department of any changes in contact information within 30 days.
21 This requirement allows the Department to communicate with and to regulate licensees.

22 9. On or about May 8, 2018, Respondent filed a handwritten application with the
23 Department to be licensed as an insurance producer in Arizona. Respondent provided
24 as her residential and mailing address, 3443 W. Troy St., Peoria, Arizona 85383, and
25 her business address as 11024 N. 38th Dr., Phoenix, Arizona 85029.¹

26 10. On or about May 8, 2018, the Department issued National Insurance
27 Producer's License No. 18781766 to Respondent. As of this date, Respondent's
28 insurance producer's license is active.²

29
30 ¹ See the Department's Exhibit 2.

² See the Department's Exhibit 1.

1 11. On or about August 10, 2018, the Department sent a letter to Respondent at
2 her address of record on W. Troy St., informing her that, because ADPS had returned
3 the fingerprint card to the Department as illegible, the Department required Respondent
4 to submit a replacement set of fingerprints on or before August 22, 2018. An
5 attachment to the letter provided the locations of fingerprinting services.³

6 12. Ms. Currie testified that Respondent did not respond to the Department's
7 August 10, 2018 letter. She also did not ever update her address of record.

8 13. On or about September 10, 2018, the Department sent a second letter to
9 Respondent at her business address on N. 28th Dr., requiring her to either submit a new
10 set of fingerprints or to submit a voluntary surrender of her insurance producer's license
11 to the Department on or before October 1, 2018.⁴

12 14. On or about September 25, 2018, the U.S. Post Office returned the letter
13 that the Department had sent to Respondent's business address, marked "Return to
14 Sender/Attempted Not Known/Unable to Forward." Ms. Currie testified that people may
15 change jobs and fail to notify the Department.

16 15. As noted above, the Department requested that OAH allow Respondent
17 additional time to submit a new set of fingerprints or to submit a voluntary surrender of
18 her insurance producer's license. Ms. Currie testified that Respondent did not submit a
19 new set of fingerprints or to submit a voluntary surrender of her insurance producer's
20 license. Ms. Currie testified that Respondent's license application was therefore
21 incomplete.

22 **CONCLUSIONS OF LAW**

23 1. This matter lies within the Department's jurisdiction.⁵

24 2. The Notice of Hearing that the Department mailed and the order continuing
25 the hearing that OAH staff mailed to Respondent at the address that she provided on
26 application was reasonable she is deemed to have received notice of the hearing.⁶

27 3. A.R.S. § 20-285 required Respondent to file an application with the
28 Department to be licensed and to transact business as an insurance producer. A.R.S. §

29 ³ See the Department's Exhibit 3.

⁴ See the Department's Exhibit 4.

30 ⁵ See A.R.S. §§ 20-142, 20-282.

⁶ See A.R.S. §§ 41-1092.04; 41-1092.05(D).

1 20-285(E) allows the Department to require Respondent to submit fingerprints to allow
2 ADPS to obtain a criminal history as a condition of licensure.⁷

3 4. Because Respondent's illegible fingerprint submission did not satisfy the
4 requirement of A.R.S. § 20-285(E)(2), the Department established that her application is
5 incomplete. Grounds therefore exist under A.R.S. § 20-295(A)(1) and (2) to discipline
6 her insurance producer's license.⁸

7 5. Respondent's failures to respond to the Department's correspondence, to
8 update her addresses of record with the Department, to comply with the Department's
9 requirements, even though she was given additional time to do so, or to appear at the
10 duly noticed continued hearing indicate that, at this time, she cannot be regulated.

11 ORDER

12 Based upon the above, **IT IS ORDERED** that, on the effective date of the final
13 order in this matter, Respondent's National Producer License No. 18799440 shall be
14 revoked.

15 *In the event of certification of the Administrative Law Judge Decision by the*
16 *Director of the Office of Administrative Hearings, the effective date of the Order will be*
17 *five (5) days from the date of that certification.* Done this day, December 10, 2019.

18 *////*

19 ⁷ A.R.S. § 20-282(E) provides as follows:

20 Before the director grants a license, the director may require the
21 applicant to:

22 1. Provide any document that is reasonably necessary to verify the
23 information that is contained in an application and other information
24 including prior criminal records.

25 2. Submit a full set of fingerprints to the department. The department of
26 insurance shall submit the fingerprints to the department of public safety
27 for the purpose of obtaining a state and federal criminal records check
28 pursuant to section 41-1750 and Public Law 92-544. The department of
29 public safety may exchange this fingerprint data with the federal bureau
30 of investigation.

⁸ A.R.S. § 20-295(A) provides in relevant part as follows:

The director may deny, suspend for not more than twelve months,
revoke or refuse to renew an insurance producer's license or may
impose a civil penalty in accordance with subsection F of this section or
any combination of actions for any one or more of the following causes:

1. Providing incorrect, misleading, incomplete or materially untrue
information in the license application.

2. Violating any provision of this title or any rule, subpoena or order of
the director.

Done this day, December 10, 2019.

/s/ Diane Mihalsky
Administrative Law Judge

Transmitted electronically to:

Keith A. Schraad, Director
Arizona Department of Insurance

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