

No. 2022-7508

**Official Order
of the
Texas Commissioner of Insurance**

Date: 09/20/2022

Subject Considered:

Michael F. Carranza

[REDACTED]
Sinton, TX 78387-5440

Default Order
SOAH Docket No. 454-22-08299.C
TDI Enforcement File No. 26586

General remarks and official action taken:

This is a default order taken against Michael F. Carranza (Respondent) because he submitted fictitious information to an insurance company on numerous applications to obtain commissions and failed to respond to the department's inquiries. Respondent did not respond to a Notice of Hearing filed by the Texas Department of Insurance. This order revokes Respondent's license.

The following findings of fact and conclusions of law are adopted:

Findings of Fact

Failure to Respond to Notice of Hearing

1. On August 19, 2022, the department filed a Notice of Hearing, attached as Exhibit A, and an Original Petition, attached as Exhibit B, with the State Office of Administrative Hearings.
2. The department's factual allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order as findings of fact.

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Commissioner's Order

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3. The department sent the Notice of Hearing and Original Petition to Respondent's last known address provided in writing to the department, [REDACTED], Sinton, TX 78387-5440. The Notice of Hearing and Original Petition was also sent by electronic mail.
4. Respondent failed to file a written response to the Notice of Hearing within 20 days of the date the Notice of Hearing and Original Petition were mailed.

Conclusions of Law

1. The commissioner has jurisdiction under Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101-4005.105, and 4054.051; TEX. OCC. CODE §§ 53.021-53.023; 28 TEX. ADMIN. CODE § 1.502; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to dispose of this case informally under TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89.
3. The department provided proper notice of the hearing under TEX. GOV'T CODE §§ 2001.051, 2001.052, and 2001.054, and 28 TEX. ADMIN. CODE §§ 1.28, 1.88, 1.89, and 19.906.
4. Based on Respondent's failure to file a written response to the Notice of Hearing, the department is entitled to disposition by default under 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
5. The department's factual and legal allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order and deemed admitted as true under 28 TEX. ADMIN. CODE § 1.89.

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Order

It is ordered that any licenses held by Michael F. Carranza are revoked. A copy of this order will be provided to law enforcement or other appropriate administrative agencies for further investigation as may be warranted.

DocuSigned by:

FC5D7EDDFFBB4F8...

Cassie Brown
Commissioner of Insurance

Prepared and reviewed by:



Nancy Williams, Staff Attorney
Enforcement

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Michael F. Carranza
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Affidavit

STATE OF TEXAS §

§

COUNTY OF TRAVIS §


Before me, the undersigned authority, personally appeared David Moreno, who, being by me duly sworn, deposed as follows:

"My name is David Moreno and I am employed by the Texas Department of Insurance. I am of sound mind, capable of making this affidavit, and have personal knowledge of these facts which are true and correct.

I have reviewed TDI's records concerning Michael F. Carranza. I have confirmed that:

- a. The last mailing address provided to the department in writing by Michael F. Carranza is [REDACTED], Sinton, TX 78387-5440.
- b. The file maintained by Enforcement contains a Notice of Hearing and Original Petition dated August 19, 2022, which were filed with the State Office of Administrative Hearings.
- c. On August 19, 2022, the Notice of Hearing and Original Petition addressed to Michael F. Carranza were mailed certified, return receipt requested, to his last known address.

Copies of the certified mail log maintained by Enforcement is attached as Exhibit C."

DocuSigned by:

5D4F3C83540048A... _____
Affiant

2022-7508

Commissioner's Order

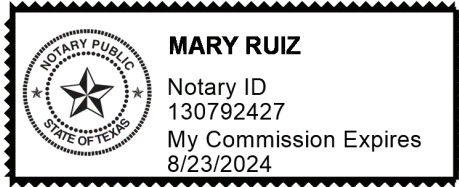
Michael F. Carranza

SOAH Docket No. 454-22-08299.C

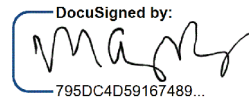
Page 5 of 5

SWORN TO AND SUBSCRIBED before me by means of an interactive two-way audio and video communication on 9/6/2022. This notarial act was an online notarization.

Notary Seal



Digital Certificate



Notary Public State of Texas

2022-7508

FILED
454-22-08299
8/19/2022 9:14 AM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

**SOAH DOCKET NO. 454-22-08299.C
TDI ENFORCEMENT FILE NO. 26586**

TEXAS DEPARTMENT OF INSURANCE,

BEFORE THE STATE OFFICE

Petitioner

ACCEPTED
454-22-08299
8/19/2022 5:12:15 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

v.

OF

MICHAEL F. CARRANZA,

ADMINISTRATIVE HEARINGS

Respondent

NOTICE OF HEARING

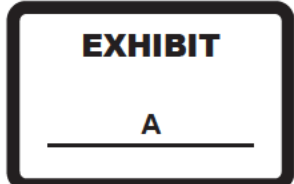
The Texas Department of Insurance seeks to take disciplinary action against Michael F. Carranza. This Notice of Hearing and the Original Petition, which is attached and incorporated for all purposes, states the allegations against you and the relief sought by the Department.

A public hearing will be held before an Administrative Law Judge on **December 13, 2022, at 9:30 a.m.** The hearing will take place via videoconference using a videoconference platform controlled by the State Office of Administrative Hearings, unless otherwise ordered to proceed in another manner by the Administrative Law Judge.

The hearing shall be conducted under TEX. GOV'T CODE, ch. 2001 and 1 TEX. ADMIN. CODE, ch. 155. Unless otherwise directed by the Administrative Law Judge, the hearing shall continue from day to day in the offices of the State Office of Administrative Hearings until concluded. You have the right to appear at this hearing and to be represented by an attorney.

Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at www.soah.texas.gov, or in printed format upon request to SOAH.

YOU MUST FILE A WRITTEN RESPONSE TO THE NOTICE OF HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN 20 DAYS OF THE DATE THE NOTICE OF HEARING WAS MAILED. FAILURE TO FILE A WRITTEN RESPONSE BY THIS DEADLINE SHALL ENTITLE TDI TO SEEK DISPOSITION BY DEFAULT UNDER 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.



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IF YOU FAIL TO FILE A WRITTEN RESPONSE, THE SCHEDULED HEARING CAN BE CANCELED AND WITHOUT FURTHER NOTICE TO YOU THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING REVOCATION OF YOUR LICENSE, ISSUANCE OF A CEASE AND DESIST ORDER, OR IMPOSITION OF ADMINISTRATIVE PENALTIES, IS GRANTED BY DEFAULT.

IF YOU FILE A WRITTEN RESPONSE BUT THEN FAIL TO APPEAR ON THE DAY AND TIME SET FOR HEARING, WITHOUT FURTHER NOTICE TO YOU, THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING REVOCATION OF YOUR LICENSE, ISSUANCE OF A CEASE AND DESIST ORDER, OR IMPOSITION OF ADMINISTRATIVE PENALTIES, IS GRANTED BY DEFAULT.

In accord with 28 TEX. ADMIN. CODE § 1.90(e) and 1 TEX. ADMIN. CODE §§ 155.101 and 155.103, you should send copies of your written response to:

- (1) *(by mail, fax, or electronically)*
Docketing Division
State Office of Administrative Hearings
300 West 15th Street, Room 504
P.O. Box 13025
Austin, Texas 78711-3025
(512) 322-2061 (Fax);
www.soah.texas.gov

- (2) *(by mail, fax, or email)*
Chief Clerk
Texas Department of Insurance
P.O. Box 12030, MC GC-CCO
Austin, Texas 78711-2030
(512) 490-1064 (Fax)
chiefclerk@tdi.texas.gov; and

- (3) *(by mail, fax, or email)*

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Nancy Williams, Staff Attorney
Texas Department of Insurance
Enforcement, MC ENF
P.O. Box 12030
Austin, Texas 78711-2030
(512) 490-1020 (Fax)
Nancy.Williams@tdi.texas.gov

Receiving Documents Electronically and Filing Documents with SOAH

The State Office of Administrative Hearings (SOAH) offers you the ability to electronically receive orders and other documents issued by SOAH by email instead of by mail. If you want to receive SOAH-issued documents by email, follow the instructions on SOAH's website: www.soah.texas.gov.

A request to receive SOAH-issued documents by email does not change the procedures you must follow to file documents or exhibits with SOAH. Instructions on how to file documents and exhibits are on SOAH's website. SOAH's website also includes guidance for representing yourself.

Important Security Notice (for In-Person Hearings ONLY)

ALL VISITORS TO THE WILLIAM P. CLEMENTS BUILDING WITHOUT AN AGENCY OR DPS ISSUED ID CARD MUST PROVIDE THE BUILDING SECURITY OFFICER WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS DOCKET NUMBER AND RECEIVE A VISITOR'S PASS IN ORDER TO BE ALLOWED ACCESS TO THE HEARING ROOM. INDIVIDUALS SHOULD ALLOW ADDITIONAL TIME TO GO THROUGH THE SECURITY PROCESS.

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Notice of Hearing

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If you have any questions, please contact me at the address or telephone number shown below.

Respectfully Submitted,



Nancy Williams
State Bar No. 24058175
Texas Department of Insurance
Enforcement, MC ENF
P.O. Box 12030
Austin, Texas 78711-2030
(512) 676-6338 (Direct)
(512) 490-1020 (Fax)
Nancy.Williams@tdi.texas.gov

ATTORNEY FOR THE PETITIONER
TEXAS DEPARTMENT OF INSURANCE

Enclosure: Original Petition

cc: Leah Gillum, Deputy Commissioner, Fraud and Enforcement Division, MC ENF
Whitney Fraser, Litigation Director, Enforcement, MC ENF
Administrative Review, MC CO-AAL

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CERTIFICATE OF SERVICE

I, Nancy Williams, certify that a true and correct copy of the *Notice of Hearing and the Original Petition* were sent by electronic mail, by first-class mail, and by certified mail, return receipt requested, on this 19th day of August 2022 to:

Michael F. Carranza

[REDACTED]

Sinton, TX 78387-5440

Respondent Pro Se

CM/RRR: 9214 8901 9403 8386 9901 95

Via Email [REDACTED]



Nancy Williams

2022-7508

SOAH DOCKET No. 454-22-08299

FILED
454-22-08299
8/11/2022 11:31 AM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

**SOAH DOCKET NO. 454-22-
TDI ENFORCEMENT FILE NO. 26586**

TEXAS DEPARTMENT OF INSURANCE,

Petitioner

v.

MICHAEL F. CARRANZA,

Respondent

BEFORE THE STATE OFFICE

ACCEPTED
454-22-08299
8/11/2022 4:44:01 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

OF

ADMINISTRATIVE HEARINGS

ORIGINAL PETITION

The Texas Department of Insurance seeks to take disciplinary action against Michael F. Carranza. In support of this petition, the department makes the following allegations upon information and belief:

Jurisdiction

The Commissioner of Insurance has jurisdiction over this matter under TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101, 4005.102, and 4054.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.

Factual Allegations

1. Michael F. Carranza (Carranza) was issued a general lines agent license with a qualification in life, accident, health, and HMO by the Texas Department of Insurance (TDI) on February 9, 2010.
2. On December 16, 2020, TDI received information that Carranza submitted insurance applications to American Family Life Assurance Company (AFLAC) containing fictitious information.
3. On April 19, 2018, Carranza submitted three applications for "Victor Cervantes" and two applications for "Josh Anderson" who were found to be fictitious persons based on the information provided in the applications. These policies were added to an AFLAC account for GCR Tires and Service BPF in Columbus, GA, who could not verify employment for the named policyholders.

EXHIBIT

B

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Original Petition

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4. On May 1, 2018, Carranza submitted two applications for "Chad Johnson" and two applications for "Jay Luna", both listed as prison guards, who were found to be fictitious persons based on the information provided in the applications. These policies were added to an AFLAC account for a Criminal Justice San Diego in Forston, GA, who indicated they had no employment records for the named policyholders.
5. On May 16, 2018, Carranza submitted three applications for "Nathan Lopez", three applications for "Rodolpho Mata", two applications for "Miguel Torres", and two applications for "Douglas Williams", all listed as prison guards and found to be fictitious persons based on the information provided in the applications. These policies were added to the AFLAC account for Criminal Justice San Diego in Forston, GA, who indicated they had no employment records for these four policyholders.
6. Carranza received \$3,723 in unearned commissions as a result of the fictitious policy applications. AFLAC was not able to recover the unearned commissions from Carranza.
7. On August 11, 2021, May 11, 2022, and June 7, 2022, TDI sent inquiries to Carranza requesting information regarding the matter. Carranza failed to respond to the inquiries.

Legal Allegations

1. Carranza committed acts for which a license holder may be disciplined under Tex. Ins. Code § 4005.101, as contemplated in Tex. Ins. Code § 4005.102.
2. Carranza engaged in fraudulent or dishonest acts or practices, as contemplated by Tex. Ins. Code § 4005.101(b)(5).
3. Carranza failed to respond to the departments inquiry, as contemplated by Tex. Ins. Code § 38.001.

Relief Sought

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Original Petition
Michael F. Carranza
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If one or more of the above allegations is found to be true, the department asks the Administrative Law Judge to enter a Proposal for Decision recommending that the Commissioner of Insurance issue an order:

1. revoking Carranza's license; and
2. imposing any other just and appropriate relief to which the department may be entitled to by law.

Respectfully Submitted,



Nancy Williams
State Bar No. 24058175
Texas Department of Insurance
Enforcement, MC ENF
P.O. Box 12030
Austin, Texas 78711-2030
(512) 676-6338 (Direct)
(512) 490-1020 (Fax)
Nancy.Williams@tdi.texas.gov

ATTORNEY FOR THE PETITIONER
TEXAS DEPARTMENT OF INSURANCE



Shipment Confirmation
Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 08/19/2022
 Shipped From:
 Name: MC 110-1A D MORENO
 Address: 333 GUADALUPE ST
 City: AUSTIN
 State: TX ZIP+4® 78701

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

- Note to RSS Clerk:
1. Home screen > Mailing/Shipping > More
 2. Select Shipment Confirm
 3. Scan or enter the barcode/label number from PS Form 5630
 4. Confirm the volume count message by selecting Yes or No
 5. Select Pay and End Visit to complete transaction

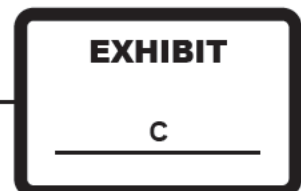
USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
 Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0038 7645 91

Nancy/26586





Firm Mailing Book For Accountable Mail

Name and Address of Sender

MC 110-1A D MORENO
 TEXAS DEPARTMENT OF INSURANCE
 333 GUADALUPE ST
 AUSTIN TX 78701

Check type of mail or service

- Adult Signature Required
- Adult Signature Restricted Delivery
- Certified Mail
- Certified Mail Restricted Delivery
- Collect on Delivery (COD)
- Insured Mail
- Priority Mail
- Priority Mail Express
- Registered Mail
- Return Receipt for Merchandise
- Signature Confirmation
- Signature Confirmation Restricted Delivery

USPS Tracking/Article Number

1. 9214 9901 9403 8386 9901 95

Nancy/26586

Addressee (Name, Street, City, State, & ZIP Code™)

MICHAEL F. CARRANZA
 [Redacted]
 SINTON, TX 78387-5440

Affix Stamp Here

(for additional copies of this receipt).
 Postmark with Date of Receipt.

2022-7508

Postage	(Extra Service) Fee	Handling Charge - if Registered and over \$50,000 in value	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	Special Handling Fee
1.44	4.00								2.00			
						Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling

Total Number of Pieces Listed by Sender: 1

Total Number of Pieces Received at Post Office: 1

Postmaster, Per (Name of receiving employee)