

No. 2023-7866

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

Date: 03/28/2023

Subject considered:

Texas Department of Insurance

v.

Hanh Ngoc Dang

SOAH Docket No. 454-21-2474.C

General remarks and official action taken:

The subject of this order is the general lines agent license with property and casualty and life, accident, health, and HMO qualifications held by Hanh Ngoc Dang. This order revokes Ms. Dang's license.

Background

After proper notice was given, the above-styled case was heard by an administrative law judge for the State Office of Administrative Hearings. The administrative law judge made and filed a proposal for decision containing a recommendation that the Texas Department of Insurance (TDI) revoke Ms. Dang's license. A copy of the proposal for decision is attached as Exhibit A.

Ms. Dang filed exceptions to the administrative law judge's proposal for decision. TDI Enforcement filed a reply to the exceptions.

The administrative law judge recommended no changes to the proposal for decision in response to the exceptions or reply. A copy of the administrative law judge's response to exceptions is attached as Exhibit B.

The administrative law judge's proposed findings of fact and conclusions of law, with changes to the findings of fact as described in this order, are adopted by the commissioner.

Legal Authority for Changes to Proposal for Decision

The legal authority for the changes to the proposal for decision made in this order is Tex. Gov't Code § 2001.058(e)(3), which provides that "[a] state agency may change a finding of fact or conclusion of law made by the administrative law judge, or may vacate or modify an order issued by the administrative judge, only if the agency determines . . . that a technical error in a finding of fact should be changed."

Analysis

Technical errors in the proposal for decision case style and discussion

The case style for the proposal for decision incorrectly refers to Ms. Dang as "Hahn Ngoc Dang." The request to docket, notice of hearing, and original petition spell Ms. Dang's name as "Hanh Ngoc Dang." So does Ms. Dang's answer to the original petition and her exceptions to the proposal for decision. "Hanh Ngoc Dang" is also how Ms. Dang's name is spelled in TDI's records, so this order corrects this error in the case style.

On page 1, the proposal for decision states:

On January 3, 2022, the ALJ reopened the record to have Staff submit proposed findings of fact and conclusions of law. On February 4, 2021, the record closed upon the filing of Staff's proposed findings of fact and conclusions of law.

The statement that the record closed on February 4, 2021, is an error because the hearing did not convene until September 2, 2021, and the certificate of service for TDI Enforcement Staff's Proposed Findings of Fact and Conclusions of Law shows that the proposed findings and conclusions were submitted on February 2, 2022.

On page 2, the proposal for decision contains the statement "On February 21, 2015, the Department issued general lines agent license, No. 1430918 to Ms. Dang," and footnote 8 references Staff Ex. 17 as support. Staff Ex. 17 includes a "Notice of Intent to Institute Disciplinary Action" letter against Ms. Dang that states a general lines agent license was issued to her on February 21, 2015. However, the exhibit does not provide Ms. Dang's license number. The number 1430918 is found referenced in Staff Ex. 1, which includes the original petition for this matter. Factual allegation No. 1 in the original petition states that No. 1430918 is Ms. Dang's individual identification number.

On page 8 of the proposal for decision, the financial impact to Farmers Insurance (Farmers) resulting from Ms. Dang's submission of fake diplomas to Farmers is

COMMISSIONER'S ORDER
TDI v. Hanh Ngoc Dang
SOAH Docket No. 454-21-2474.C
Page 3 of 5

discussed. The discussion states that the financial impact was \$616 in lost premiums, and a footnote cites Staff Ex. 11. However, a table in Staff Ex. 11 shows that the financial impact to Farmers for this act was \$615.

Technical errors in Proposed Finding of Fact No. 1

Ms. Dang's name is spelled "Hahn Dgoc Dang" in proposed Finding of Fact No. 1. However, as previously addressed, the correct spelling of Ms. Dang's name is "Hanh Ngoc Dang." In addition, Finding of Fact No. 1 states that No. 1430918 is Ms. Dang's license number. But as previously addressed, No. 1430918 is Ms. Dang's individual identification number. As adopted by this order, proposed Finding of Fact No. 1 is corrected to say:

On February 21, 2015, the Texas Department of Insurance (Department) issued a general lines agent license to Hanh Ngoc Dang, individual identification No. 1430918.

Technical errors in Proposed Finding of Fact No. 13

Proposed Finding of Fact No. 13 says Farmers' financial impact from issuing policies at a lower rate was \$8,700. However, page 6 of the proposal for decision states that witness Glenn Hogue calculated the financial impact to Farmers to be \$7,800 in lost premiums because the policies were issued at Farmers' preferred rate instead of being issued at a higher rate. In addition, when dollar amounts attributable to Ms. Dang in tables in Staff Ex. 7 and Staff Ex. 8 are added together, the amount comes to \$7,800. Therefore, \$7,800 is the correct amount, and the amount stated in proposed Finding of Fact No. 13 is a technical error. As adopted by this order, proposed Finding of Fact No. 13 is corrected to say:

The financial impact to Farmers for issuing policies at a lower rate was \$7,800.

Technical errors in Proposed Finding of Fact No. 26

Proposed Finding of Fact No. 26 states, in part, that "On February 4, 2021, the record closed upon the filing of Staff's proposed findings of fact and conclusions of law." As previously addressed, the date of February 4, 2021, is an error. As adopted by this order, proposed Finding of Fact No. 26 is corrected to say:

The record initially closed on November 19, 2021, after the parties filed written closing arguments. On January 3, 2022, the ALJ reopened the record to have Staff submit proposed findings of fact and conclusions of law. On February 4,

2022, the record closed upon the filing of Staff's proposed findings of fact and conclusions of law.

Findings of Fact

1. Findings of Fact Nos. 2–12 and 14–25 as contained in Exhibit A are adopted by the commissioner and incorporated by reference into this order.
2. In place of Finding of Fact No. 1 as contained in Exhibit A, the following finding of fact is adopted:

On February 21, 2015, the Texas Department of Insurance (Department) issued a general lines agent license to Hanh Ngoc Dang, individual identification No. 1430918.

3. In place of Finding of Fact No. 13 as contained in Exhibit A, the following finding of fact is adopted:

The financial impact to Farmers for issuing policies at a lower rate was \$7,800.

4. In place of Finding of Fact No. 26 as contained in Exhibit A, the following finding of fact is adopted:

The record initially closed on November 19, 2021, after the parties filed written closing arguments. On January 3, 2022, the ALJ reopened the record to have Staff submit proposed findings of fact and conclusions of law. On February 4, 2022, the record closed upon the filing of Staff's proposed findings of fact and conclusions of law.


Conclusions of Law

The conclusions of law contained in Exhibit A are adopted by the commissioner and incorporated by reference into this order.

COMMISSIONER'S ORDER
TDI v. Hanh Ngoc Dang
SOAH Docket No. 454-21-2474.C
Page 5 of 5

Order

It is ordered that Hanh Ngoc Dang's general lines agent license with property and casualty and life, accident, health, and HMO qualifications is revoked.

DocuSigned by:

FC5D7EDDFB4F8... _____
Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:

DocuSigned by:

5DAC5618BBC74D4... _____
Jessica Barta, General Counsel

DocuSigned by:

27ADF3DA5BAF4B7... _____
Justin Beam, Assistant General Counsel



SOAH DOCKET NO. 454-21-2474.C
TDI ENFORCEMENT CASE NO. 24370

TEXAS DEPARTMENT
OF INSURANCE,
Petitioner

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BEFORE THE STATE OFFICE

v.

OF

HAHN NGOC DANG,
Respondents

ADMINISTRATIVE HEARINGS

PROPOSAL FOR DECISION

The staff (Staff) of the Texas Department of Insurance (Department) seeks to revoke Hahn Ngoc Dang’s license because Staff alleges that she engaged in fraudulent or dishonest acts or practices. After considering the evidence and the applicable law, the Administrative Law Judge (ALJ) recommends the Department revoke Ms. Dang’s license.

I. PROCEDURAL HISTORY, NOTICE, AND JURISDICTION

On September 2, 2021, ALJ Steven M. Rivas with the State Office of Administrative Hearings (SOAH) convened a hearing on the merits in this case via Zoom videoconference.¹ Staff was represented by staff attorney Amanda Cagle. Ms. Dang appeared and was represented by attorney Frank King. The record initially closed on November 19, 2021, after the parties filed written closing arguments.

On January 3, 2022, the ALJ reopened the record to have Staff submit proposed findings of fact and conclusions of law. On February 4, 2021, the record closed upon the filing of Staff’s proposed findings of fact and conclusions of law.² Notice and jurisdiction were not disputed and are set out in the Findings of Fact and Conclusions of Law below.

¹ This hearing was joined with 454-21-2475.C, Texas Department of Insurance (TDI) v. Nguyen.

² 1 Tex. Admin. Code § 155.425(e).

II. DISCUSSION

A. Applicable Law

The Department may discipline a license holder if the Department determines that the license holder has engaged in fraudulent or dishonest acts or practices.³ Among other possible sanctions, the Department may revoke the subject person's license.⁴ Staff has the burden of showing by a preponderance of the evidence that Ms. Dang's license should be revoked based on her conduct while Ms. Dang has the burden to prove her license should not be revoked despite her misconduct.⁵

B. Evidence

At the hearing, Staff offered 19 exhibits,⁶ which were admitted, and presented testimony of Glenn Hogue, an investigator with Farmers Insurance, and Lewis Wright, IV, administrative review liaison to the Department's Enforcement Division. Ms. Dang offered 6 exhibits,⁷ which were admitted, and testified on her own behalf.

1. Background Facts

On February 21, 2015, the Department issued general lines agent license, No. 1430918 to Ms. Dang.⁸ On August 14, 2017, Farmers Insurance (Farmers) appointed Ms. Dang as an agent. From July 2018 through May 2019, Ms. Dang worked at Lihn Do Agency in Richardson, Texas, an agency appointed by Farmers Insurance. During that same time, Ms. Dang's job duties

³ Tex. Ins. Code § 4005.101(b)(5).

⁴ Tex. Ins. Code § 4005.102(2)(A).

⁵ 1 Tex. Admin. Code § 155.427.

⁶ Staff offered 19 total exhibits in this case and 454-21-2475.C (TDI v. Nguyen).

⁷ Dang Ex. A-F.

⁸ Staff Ex. 17.

included processing and submitting applications for automobile insurance (applications) to the underwriters of Farmers Insurance.

On July 16, 2019, Farmers' Internal Audit Department received an Underwriting Referral based on an audit, which found that, between July 2018 and May 2019, agents at the Lihn Do Agency⁹ submitted 36 out of 61 (60%) applications to Farmers with erroneous information that was later corrected after the policy was issued.¹⁰

Farmers investigated the allegations and determined that Ms. Dang submitted nine applications with false names, addresses, and social security numbers, which she subsequently corrected on the policy after Farmers issued the policy. A change of this type is known as a post-bind change. The investigation also found the nine policies that were the subject of post-bind changes also contained false information about prior insurance coverage. The investigation further revealed that Ms. Dang attached fake college diplomas on seven other applications she submitted to Farmers. On January 6, 2020, Farmers terminated Ms. Dang's appointment. On July 2, 2020, the Department proposed to revoke Ms. Dang's license, which she timely appealed.

2. Post-Bind Changes and False Information on Policies

a. Staff's Case

Staff called Glenn Hogue, an investigator with Farmers since 2010, whose primary job duty is to investigate allegations of fraud. He testified that he is familiar with the facts of this case, and that Farmers assigned him as lead investigator of this case after the original investigator, Edward Jefferson, retired from Farmers. Mr. Hogue confirmed that the investigation into Ms. Dang's misconduct was based on an audit that reflected a high number of post-bind changes that were made to policies where Ms. Dang had submitted the initial application.

⁹ Lihn Do and the Lihn Do Agency voluntarily surrendered its insurance licenses on July 13, 2020. Staff Ex. 14.

¹⁰ Staff Ex. 6 at TDI 30.

Specifically, Mr. Hogue testified that a search of Ms. Dang's computer using her User ID showed that Ms. Dang submitted nine applications to Farmers with false information then subsequently corrected the information on the policy after Farmers issued the policy. Mr. Hogue stated the post-bind changes that Ms. Dang made were to the customer's name, address, or social security number (SSN).

Mr. Hogue further testified that a computer search using Ms. Dang's User ID reflected that, on the same policies where Ms. Dang made post-bind changes, she also submitted false information about prior continuous coverage to Farmers on the applications for these policies. Specifically, Mr. Hogue testified, Ms. Dang credited the policies with several months of prior continuous coverage where the applicant (and eventual insured) had no record of any prior coverage with Farmers. The investigative findings of the post-bind changes and false prior continuous coverage are summarized below:¹¹

- On May 16, 2019, Farmers issued policy 9804.¹² On the same date, Ms. Dang changed the applicant's last name. The application also reflected the applicant had 73 months of prior continuous coverage where the applicant had none.
- On May 8, 2019, Farmers issued policy 9310. On the same date, Ms. Dang changed the applicant's first name. The application also reflected the applicant had 60 months of prior continuous coverage where the applicant had none.
- On April 30, 2019, Farmers issued policy 1126. On the same date, Ms. Dang changed the applicant's first name, address, and SSN. The application also reflected the applicant had 65 months of prior continuous coverage where the applicant had none.
- On February 11, 2019, Farmers issued policy 8253. On February 14, 2019, Ms. Dang changed the applicant's first name, and removed the SSN. The application also reflected the applicant had 141 months of prior continuous coverage where the applicant had none.

¹¹ Staff Ex. 8.

¹² Only the last four digits of the policy are displayed.

- On January 31, 2019, Farmers issued policy 8666. On the same date, Ms. Dang changed the applicant's first name, and added a middle name. The application also reflected the applicant had 33 months of prior continuous coverage where the applicant had none.
- On January 20, 2019, Farmers issued policy 0020. On February 5, 2019, Ms. Dang changed the applicant's first name, added a middle name, and removed the SSN. The application also reflected the applicant had 23 months of prior continuous coverage where the applicant had none.
- On January 24, 2019, Farmers issued policy 5829. On February 1, 2019, Ms. Dang changed the applicant's first name, added a middle name, and removed the SSN. The application also reflected the applicant had 74 months of prior continuous coverage where the applicant had none.
- On December 12, 2018, Farmers issued policy 5569. On December 14, 2018, Ms. Dang changed the applicant's first name, added a middle name, and removed the SSN. The application also reflected the applicant had 93 months of prior continuous coverage where the applicant had none.
- On December 4, 2018, Farmers issued policy 7505. On December 13, 2018, Ms. Dang changed the applicant's first name, last name, and removed the SSN. The application also reflected the applicant had 147 months of prior continuous coverage where the applicant had none.

Mr. Hogue testified that in addition to the post-bind changes that were discovered, the investigation found that, following each post-bind change Ms. Dang made, she also suppressed what is known as a "facesheet." According to Mr. Hogue, a facesheet is a letter that Farmers mails to a customer whenever a change is made to a policy. However, in this case, the investigation determined that Ms. Dang suppressed the facesheets from being issued, which then prevented anyone from being informed about the changes that were made to the customers' information on those policies.¹³

Mr. Hogue testified that the applications containing false data caused Farmers to issue the policies at a lower or preferred rate than if Ms. Dang had submitted the applications correctly. Mr. Hogue asserted that none of the applicants above would not have qualified for a standard

¹³ Staff Ex. 8.

Farmers policy, but instead would have qualified for a policy issued at a higher rate by Bristol West Insurance (a Farmers Company). Mr. Hogue calculated the financial impact to Farmers was \$7,800 in lost premiums because the policies were issued at Farmers' preferred rate instead of being issued at a higher rate offered by Bristol West Insurance.¹⁴

Staff also called Lewis Weldon Wright, IV, administrative review liaison to the Department's Enforcement Division who testified that he is familiar with the facts of this case. Mr. Wright testified that on January 10, 2020, Farmers notified the Department that it had terminated Ms. Dang's appointment due to the allegations against Ms. Dang.¹⁵ He testified that Ms. Dang's practice of making post-bind changes was "abnormal" in his experience, and that any change to a policy should be done carefully and should require official documentation and possibly an explanatory reason of why the initial information was not correct. He further testified that changing an applicant's SSN on a policy would raise questions as to the initial solicitation of the risk to an insurance carrier.

Mr. Wright testified that the Department refers to the guidelines found in the Texas Insurance Code chapter 4005.101 on agent misconduct. He testified that a person who is licensed by the Department should convey confidence to the public that they will act in a trustworthy manner and that they will perform honest and reliable transactions that will protect the public as well as tangible and intangible assets. Based on his review of the evidence in this matter, he conformed that the Department seeks to revoke Ms. Dang's license.

b. Testimony of Ms. Dang

Ms. Dang testified that she currently works for the Bao Viet Agency performing customer service but she does not know whether this agency is partially owned by her former employer Lihn Do.¹⁶ She testified that, when she worked at the Lihn Do Agency, an assistant

¹⁴ Staff Ex. 8.

¹⁵ Staff Ex. 10.

¹⁶ Ms. Dang testified that the Bao Viet Agency is owned by a married couple but did not know if Mr. Bao Viet's wife was Lihn Do.

who worked with her would provide her with an applicant's personal and prior coverage information and that, based on the information provided to her, she would work up a quote and provide the quote to the customer usually by email. She testified that if the quote was acceptable to the customer, she would then submit the application to Farmers' underwriters.

Ms. Dang testified that she would make a post-bind change to a policy only if the change was requested by a customer. However, she testified that she could not remember whether she made any post-bind changes to the nine policies in question. She further testified that she received no training from Farmers or the Lihn Do Agency on how to properly submit applications or how to make corrections to policies.

3. Fake College Diplomas

a. Staff's Case

Staff again called Mr. Hogue to testify about the allegation that Ms. Dang attached fake college diplomas to applications for Farmers insurance. Mr. Hogue testified that a computer search using Ms. Dang's User ID reflected that between July 2018 and May 2019, Ms. Dang attached college diplomas to seven applications that she submitted for insurance. Mr. Hogue explained that Farmers offers a discount known as its Affinity rate to insureds who have a college degree in engineering, for example. Mr. Hogue testified the applications each contained a college diploma purportedly issued by the University of Texas at Dallas (UT Dallas) for a Bachelor of Science degree in Engineering with the same graduation date of December 9, 2009.

Mr. Hogue testified the diplomas appeared false by their appearance on the basis that the customers' names on each diploma were in a different font from the rest of the diploma, the names were misaligned, the diplomas all bore the same printing marks, and the edges of a box were visible around some of the customer names. He also noted that a template of the diploma was discovered on a computer file at the Lihn Do Agency during the investigation that was named "Office Template Linh Do\Affivitive[sic]," which contained a diploma template that could be edited by typing an applicant's name on the template. Mr. Hogue finally concluded the

diplomas were fake after he confirmed that UT Dallas does not offer a Bachelor of Science degree in Engineering.¹⁷

The investigative findings of the fake diplomas are summarized as follows:¹⁸

- Application for policy 1599¹⁹ contained a diploma purportedly issued by UT Dallas on December 9, 2009.
- Application for policy 8343 contained a diploma purportedly issued by UT Dallas on December 9, 2009.
- Application for policy 0287 contained a diploma purportedly issued by UT Dallas on December 9, 2009.
- Application for policy 5569 contained a diploma purportedly issued by UT Dallas on December 9, 2009.
- Application for policy 4246 contained a diploma purportedly issued by UT Dallas on December 9, 2009.
- Application for policy 6080 contained a diploma purportedly issued by UT Dallas on December 9, 2009.
- Application for policy 5379 contained a diploma purportedly issued by UT Dallas on December 9, 2009.

Mr. Hogue testified that the applications submitted with fake diplomas caused Farmers to issue the policies at its Affinity rate, a lower rate than if Ms. Dang submitted the applications without a diploma showing the applicant graduated from UT Dallas with a Bachelor of Science degree in engineering. Mr. Hogue calculated the financial impact to Farmers was \$616 in lost premiums because the policies were issued at Farmers' Affinity rate.²⁰

¹⁷ Staff Ex. 13. Affidavit from the University of Texas at Dallas stating it did not offer a Bachelor of Science Degree in Engineering.

¹⁸ Staff Ex. 11.

¹⁹ Only the last four digits of the policy are displayed.

²⁰ Staff Ex. 11.

With respect to the allegation of fake diplomas, Mr. Wright again testified that the Department refers to the guidelines found in the Texas Insurance Code chapter 4005.101 on agent misconduct. He testified similarly that based on his review of the evidence that Ms. Dang submitted applications with fake diplomas, the Department seeks to revoke Ms. Dang's license.

b. Testimony of Ms. Dang

Ms. Dang identified each diploma at the hearing, but testified that she did not remember if she attached any of the diplomas to the applications. However, despite not recalling any of the applications in question, she asserted she did not falsely input the customer's name on any of the diplomas. Yet, she could not explain how the applications with fake diplomas were found during a computer search under her User ID.

C. Analysis

Pursuant to the Texas Insurance Code § 4005.101(b)(5), the Department may discipline a license holder if the Department determines that the license holder has engaged in fraudulent or dishonest acts or practices. In this case, the ALJ finds the preponderant evidence establishes that Ms. Dang engaged in fraudulent or dishonest acts or practices and that the Department should revoke her license.

Although Mr. Hogue did not perform initial investigation into Ms. Dang's actions, his testimony about the investigative findings was credible and uncontroverted. Mr. Hogue has been employed by Farmers for 12 years and his primary job duty is to investigate fraud. That being the case, it is unlikely that he would offer sworn testimony that is false or unreliable.

The evidence reflects that Ms. Dang made nine post-bind changes to policies where she submitted the original application to Farmers. The changes in question were to the applicant's name, address, or SSN. Mr. Hogue's undisputed testimony was that if Ms. Dang submitted the applications with the applicants' correct information, none of the applicants would have been

approved for automobile insurance with Farmers, and that issuing the policies in question resulted in a \$7,800 financial impact to Farmers.

Ms. Dang offered inconsistent testimony about the post-bind changes. She first inferred that the incorrect information, which led to the post-bind changes, was given to her by an unidentified assistant who worked at the Lihn Do Agency. She also testified she was not trained on how to process applications for insurance. Most notably, she testified that the post-bind changes were made because the customers requested the change. This does not make sense given that four of the nine post-bind changes were performed on the same date the policy was issued meaning the customer would have had to receive the policy, review it, and request Ms. Dang to change the information on the same date the policy was issued. One post-bind change was made only two days after the policy was issued, and another post-bind change was made only three days after the policy was issued. Regardless, Ms. Dang testified she did not remember making any of the post-bind changes even in instances where the post-bind change was made several days after the policy was issued.

The evidence further established that Ms. Dang attached fake college diplomas to seven applications she submitted to Farmers, which resulted in Farmers issuing the policies at its Affinity rate. The diplomas were generally questionable in that they were all issued by UT Dallas for the same degree and had the same graduation date of December 9, 2009. They were also fake in their appearance because the applicant's names were misaligned and were printed in a different font than the rest of the diploma. Finally, it was determined that UT Dallas does not offer the degree for which each applicant purportedly received. Mr. Hogue's undisputed testimony was that if Ms. Dang submitted the applications without the fake college diplomas, the applicants would not have been approved for Farmers' Affinity rate discount and this resulted in a \$615 financial impact to Farmers.

Staff has met its burden of proving that Ms. Dang engaged in fraudulent or dishonest acts or practices and is subject to disciplinary action pursuant to Texas Occupations Code § 4005.101(b)(5). In this case revocation is appropriate over any other sanction based on the number of times Ms. Dang made post-bind changes and attached fake diplomas to applications

for insurance with Farmers. In support of this recommendation, the ALJ makes the following findings of fact and conclusions of law.

III. FINDINGS OF FACT

1. On February 21, 2015, the Texas Department of Insurance (Department) issued general lines agent license, No. 1430918 to Hahn Dgoc Dang.
2. On August 14, 2017, Farmers Insurance (Farmers) appointed Ms. Dang as an agent.
3. From July 2018 through May 2019, Ms. Dang worked at the Lihn Do Agency in Richardson, Texas, an agency appointed by Farmers.
4. At the Lihn Do Agency, Ms. Dang's job duties included processing and submitting applications for automobile insurance (applications) to Farmers' underwriters.
5. On July 16, 2019, Farmers' Internal Audit Department received an Underwriting Referral based on an audit, which found that, between July 2018 and May 2019, agents at the Lihn Do Agency submitted 36 out of 61 (60%) applications to Farmers with erroneous information that was later corrected after the policy was issued.
6. Changing information on a policy such as an insured's name, address, or social security number after it is issued is known as a post-bind change.
7. Between December 2018, and May 2019, Ms. Dang submitted nine applications for automobile insurance with false personal information, including, names, addresses, social security numbers, and false records of previous coverage with Farmers.
8. After the policies were bound, Ms. Dang changed the personal information on the application to match the personal information of the actual end-customer.
9. The nine applicants would not have qualified for a standard policy with Farmers but would have instead been issued a policy by Bristol West Insurance (a Farmers company) at a higher rate.
10. Ms. Dang suppressed the generation of "facesheets" in Farmers' system. A facesheet is a document that is automatically generated when a change is made to a policy and then mailed out to the customer to reflect what changes have been made to the policy.

11. By suppressing the facesheets, Ms. Dang ensured that no one was informed of the changes she made to the customer information for the policies.
12. Ms. Dang's actions relating to the false information on the nine applications caused Farmers to issue policies at a preferred or lower rate.
13. The financial impact to Farmers for issuing policies at a lower rate was \$8,700.
14. Between July 2018 and May 2019, Ms. Dang attached fake college diplomas on seven applications for automobile insurance that she submitted to Farmers.
15. The fake diplomas attached to the applications submitted by Ms. Dang were purportedly issued by the University of Texas at Dallas (UT Dallas), for the same degree, a Bachelor of Science in Engineering, and all reflected the same graduation date, December 9, 2009.
16. The customers' names on each diploma were in a different font from the rest of the diploma, the names were misaligned, the diplomas all bore the same printing marks, and the edges of a box were visible around some of the customer names.
17. A template of the diploma purportedly from UT Dallas was found on a computer file at the Lihn Do Agency named "Office Template Linh Do\Affivitive[sic]," which contained a diploma template that could be edited by typing an applicant's name on the template.
18. UT Dallas does not offer a Bachelor of Science degree in Engineering.
19. Ms. Dang's actions relating to the fake diplomas that she attached to the seven applications caused Farmers to issue policies at its Affinity rate, a lower rate.
20. The financial impact to Farmers for issuing policies at a lower rate was \$615.
21. On January 6, 2020, Farmers terminated Ms. Dang's appointment.
22. On July 2, 2020, the Department proposed to revoke Ms. Dang's license, which she timely appealed.
23. On June 1, 2021, Department Staff issued a notice of hearing and a request to docket seeking to impose sanctions on Ms. Dang for violations of the Texas Insurance Code.
24. The notice of hearing contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular section of the statutes and rules involved; and either a short,

plain statement of the factual matters asserted or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.

25. On September 2, 2021, Administrative Law Judge (ALJ) Steven M. Rivas with the State Office of Administrative Hearings (SOAH) convened a hearing on the merits via Zoom videoconference. Staff was represented by staff attorney Amanda Cagle. Ms. Dang appeared and was represented by attorney Frank King.
26. The record initially closed on November 19, 2021, after the parties filed written closing arguments. On January 3, 2022, the ALJ reopened the record to have Staff submit proposed findings of fact and conclusions of law. On February 4, 2021, the record closed upon the filing of Staff's proposed findings of fact and conclusions of law.

IV. CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter. Tex. Ins. Code §§ 4001.101; 4005.101, 4051.051, 4054.051.
2. SOAH has authority to hear this matter and issue a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003; Tex. Ins. Code § 4005.104.
3. Ms. Dang received timely and sufficient notice of hearing. Tex. Gov't Code §§ 2001.051-.052.; Tex. Ins. Code § 4005.104(b).
4. The Department may revoke a license if the Department determines that the license holder has engaged in fraudulent or dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(5).
5. By submitting applications for automobile insurance to Farmers with false information, making post-bind changes to correct the information after the policy was issued, and suppressing facesheets for these policies, Ms. Dang engaged in engaged in fraudulent or dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(5).
6. By submitting applications for automobile insurance to Farmers with fake college diplomas, Ms. Dang engaged in engaged in fraudulent or dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(5)

7. The Department should revoke Ms. Dang's license. Tex. Ins. Code § 4005.101(b)(5).

SIGNED March 24, 2022.

A handwritten signature in black ink, appearing to read 'SMR', with a long horizontal line extending to the right.

**STEVEN M. RIVAS
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS**

2023-7866



FILED
454-21-2474
5/11/2022 4:36 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

Exhibit B

State Office of Administrative Hearings

Kristofer S. Monson
Chief Administrative Law Judge

ACCEPTED
454-21-2474
5/11/2022 4:47:58 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

May 11, 2022

Cassie Brown
Commissioner of Insurance
Texas Department of Insurance
333 Guadalupe, Tower 1, 13th Floor, Mail Code 113-2A
Austin, Texas 78714

VIA E-FILE TEXAS

RE: SOAH Docket No. 454-21-2474.C; Texas Department of Insurance v. Hahn Ngoc Dang

Dear Commissioner Brown:

On March 24, 2022, the undersigned Administrative Law Judge (ALJ) issued a Proposal for Decision (PFD) in this case. On April 8, 2022, Respondent Hahn Ngoc Dang filed exceptions to the PFD. On April 22, 2022, Staff for Texas Department of Insurance filed a reply to Respondent's exceptions.

Having considered Respondent's exceptions and Staff's reply, the ALJ finds the PFD should not be amended. Therefore, the ALJ recommends that the PFD be adopted as written. Because the State Office of Administrative Hearings has concluded its involvement in the matter, the case is being remanded to the Texas Department of Insurance pursuant to Texas Government Code § 2003.051(a).

Sincerely,

Steven M. Rivas
Administrative Law Judge

SR/np

cc: Amanda Cagle, Staff Attorney, Texas Department of Insurance, 333 Guadalupe, Tower 1, 13th Floor, Austin, Texas 78701 - **VIA E-FILE TEXAS**
Chief Clerk, Texas Department of Insurance, 333 Guadalupe, Tower I, Suite 1300D, Austin, Texas 78701 - **VIA E-FILE TEXAS**
Frank King, Bertolino, LLP, [REDACTED], Austin, TX 78756 - **VIA E-FILE TEXAS**