

No. 2019-5837

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

Date: JAN 07 2019

Subjects Considered:

Richard H. Grice
4800 Lamonte Lane No 4409
Houston, Texas 77092

SAI Agency
4800 Lamonte Lane No. 4409
Houston, Texas 77092

Rhiannon Hernandez
3406 Creekmont Dr
Houston, Texas 77091

Default Order
SOAH Docket No. 454-19-0673.C
TDI Enforcement File Nos. 13259, 15154, & 16686

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against Richard H. Grice, SAI Agency, and Rhiannon Hernandez (collectively, Respondents).

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

Findings of Fact

Failure to Respond to Notice of Hearing

1. On November 27, 2018, the Texas Department of Insurance filed a First Amended Notice of Hearing, attached as Exhibit A, with the State Office of Administrative Hearings.

2. The department's factual allegations set out in the attached First Amended Notice of Hearing are incorporated in this order as findings of fact.
3. The department sent the First Amended Notice of Hearing to Respondents' last known addresses provided in writing to the department. The last mailing address provided to the department in writing by Richard H. Grice is 4800 Lamonte Lane No. 4409, Houston, Texas 77092. The last mailing address provided to the department in writing by SAI Agency is 4800 Lamonte Lane No. 4409, Houston, Texas 77092. The last mailing address provided to the department in writing by Rhiannon Hernandez is 3406 Creekmont Dr, Houston, Texas 77091.
4. Notice was also sent to the following additional addresses associated with Respondents: additional mailing addresses associated with Richard H. Grice are 705 North Division Street, Mount Union, Pennsylvania 17066, and 249 E. 30th St., Tucson, AZ 85713-2941; and an additional mailing address associated with SAI Agency is 3406 Creekmont Dr, Houston, Texas 77091.
5. Respondents failed to file a written response to the First Amended Notice of Hearing within 20 days of the date the First Amended Notice of Hearing was mailed.

Conclusions of Law

1. The commissioner has jurisdiction pursuant to Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4001.102, 4001.105, 4005.101-4005.105, 4051.051, and 4054.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to dispose of this case informally pursuant to 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 pursuant to 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 Respondents' failure to file a written response to the Notice of Hearing, the department is entitled to disposition by default pursuant to 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.

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Commissioner's Order

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5. The department's factual and legal allegations set out in the attached First Amended Notice of Hearing are incorporated in this order and deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.

Order

It is ordered that Richard H. Grice, SAI Agency, and Rhiannon Hernandez cease and desist from engaging in the unauthorized business of insurance. It is also ordered that restitution be paid within 30 days of the date of this order in the amounts identified to the following victims: \$318 to Relia-Med Transport; \$1,237.50 to RLK Roof Designs, Inc.; \$9,233.95 to Kretia Griffin; and \$393.75 to CTRL Delivery & Transportation. Proof of payment must be submitted to TDI at Texas Department of Insurance, Attn: Enforcement Section, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

A copy of this order will be provided to law enforcement and/or other appropriate administrative agencies for further investigation as may be warranted.

Kent C. Sullivan
Commissioner of Insurance

By: 
Doug Slape
Chief Deputy Commissioner
Commissioner's Order No. 2018-5528

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SWORN TO AND SUBSCRIBED before me on December 18, 2018

(NOTARY SEAL)



Mariah S. Cook
Signature of Notary Public

MARIAH S. COOK
Printed Name of Notary Public

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**SOAH DOCKET NO. 454-19-0673.C
TDI ENFORCEMENT FILE NOS. 13259, 15154, & 16686**

TEXAS DEPARTMENT OF INSURANCE,

Petitioner

v.

**RICHARD H. GRICE, RHIANNON
HERNANDEZ, AND SAI AGENCY,**

Respondents

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

First Amended Notice of Hearing

The Texas Department of Insurance is seeking disciplinary action against you. Please consider this formal notice that a public hearing will be held before an Administrative Law Judge on **Monday, January 7, 2019, at 9:00 a.m.** The hearing will take place at the State Office of Administrative Hearings, located in the William P. Clements Building, 300 W. 15th Street, 4th Floor, Austin, Texas, 78701.

The hearing shall be conducted pursuant to 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.

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.

The commissioner of insurance has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101, 4005.102, 4051.051, and 4054.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.

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 PURSUANT TO 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.

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FIRST AMENDED NOTICE OF HEARING
Richard H. Grice, Rhiannon Hernandez, and SAI Agency
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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, IMPOSITION OF ADMINISTRATIVE PENALTIES, AND/OR PAYMENT OF RESTITUTION, 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, IMPOSITION OF ADMINISTRATIVE PENALTIES, AND/OR PAYMENT OF RESTITUTION, IS GRANTED BY DEFAULT.

Pursuant to 28 TEX. ADMIN. CODE § 1.90(e) and 1 TEX. ADMIN. CODE §§ 155.101 and 155.103, send copies of your written response to:

- (1) 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);
- (2) Chief Clerk
Texas Department of Insurance, MC113-2A
P.O. Box 149104
Austin, Texas 78714-9104
(512) 490-1064 (Fax)
chiefclerk@tdi.texas.gov; and
- (3) Amy L. K. Wills
Staff Attorney
Texas Department of Insurance
Legal and Enforcement Division, Enforcement Section, MC110-1A
P.O. Box 149104
Austin, Texas 78714-9104.

Factual Allegations

Background and Licensure

Richard H. Grice

1. Richard H. Grice (Grice), individual identification number 520977, does not hold an active license issued by the Texas Department of Insurance.
2. Grice previously held a general lines agent license with property and casualty, and life, accident, and health qualifications issued by the department on March 13, 2003. He also previously held a county mutual agent license issued by the department on March 13, 2003.
3. On November 18, 2016, in TDI Case No. 10887, Grice voluntarily surrendered his license in lieu of further disciplinary action due to allegations against him of premium conversion and fraud.
4. According to TDI records, Grice's last known address is 4800 Lamonte Lane No. 4409, Houston, Texas 77092. TDI also received an additional address at 705 North Division Street, Mount Union, Pennsylvania 17066, from Grice's son, Richard D. Grice, a licensed agent. Grice is an active agent in Florida, Kansas, and Nevada according to the National Association of Insurance Commissioners.

SAI / SAI Agency

5. Grice registered SAI as an assumed name on December 9, 2013. Although registered as an assumed name, Grice operated SAI as an independent agency, SAI Agency (SAI) which was not licensed. Grice surrendered this assumed name when he surrendered his license.
6. According to TDI records, SAI is located at 4800 Lamonte Lane No. 4409, Houston, Texas 77092. SAI may also be engaging in the business of insurance at 3406 Creekmont Dr., Houston, Texas 77091-5529 based on TDI's investigation.

Rhiannon Hernandez

7. Rhiannon Hernandez (Hernandez), individual identification number 1669639, has never held a license with TDI. According to the Texas Secretary of State's Office,

she is a managing member and registered agent of an unlicensed insurance agency, U.I.C. Services, LLC (U.I.C.). In addition, according to TDI's investigation, she was an employee of Grice.

8. Per the Texas Secretary of State's Office and TDI's records, Hernandez can be reached at 3406 Creekmont Dr., Houston, Texas 77091-5529.

Background Summary

9. Grice worked with Hernandez at SAI. After Grice surrendered his insurance licenses, Grice continued to engage in the business of insurance without a license. In addition, Hernandez continued to engage in the business of insurance without a license at SAI and then at another unlicensed agency, U.I.C.

Premium Conversion

Relia-Med Transport

10. On October 31, 2016, Relia-Med Transport (Relia-Med) wrote a check to Grice for \$159 for a premium payment. Grice cashed the payment.
11. On November 27, 2016, less than 10 days after Grice surrendered his license, he accepted the second premium payment in the form of a check from Relia-Med, totaling \$159. The check was made out to Grice. Grice cashed the check but did not forward it or the previously issued check to the insurer. Relia-Med's policy was canceled for nonpayment of premium.
12. When Relia-Med contacted SAI, Hernandez responded to the call. She issued a check in the amount of \$153 from U.I.C. to Relia-Med and said she was also going to forward a check for \$164.40 to the insurer. The check for \$153 was returned to Relia-Med, unpaid. In addition, the \$164.40 payment was never paid to the insurer.

RLK Roof Designs, Inc.

13. On January 19, 2017, RLK Roof Designs, Inc. (RLK) paid SAI and U.I.C. \$1,237.50 in total premium payments. Grice, under the name SAI, issued a binder stating the commercial general liability policy was effective from January 7, 2017, to January 7, 2018. RLK subsequently filed a claim and learned that there was no policy in effect.

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Richard H. Grice, Rhiannon Hernandez, and SAI Agency

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14. Grice failed to forward the premium payments to the insurance company, failed to place coverage, and forged the binder he gave to RLK.
15. Hernandez also collected premium payments from RLK and failed to remit them to the insurance company.
16. Overall, Respondents pocketed the premium payments, failed to set up a policy, and harmed the consumer as no policy was in place when RLK tried to file a claim.

K.G.

17. From 2012 to 2017, K.G. purchased homeowners insurance from Grice and SAI for five years. Each year her mortgage company paid Grice \$1,846.79. Grice cashed each check.
18. When K.G. attempted to file a claim for damage caused by Hurricane Harvey, she discovered she had no homeowners policy. Grice and SAI had pocketed the premium payments and failed to place the policy.

CTRL Delivery & Transportation

19. CTRL Delivery & Transportation (CTRL) purchased a commercial general liability policy from SAI with effective dates of July 7, 2016, to July 7, 2017. CTRL paid a premium payment to SAI totaling \$393.75 for the policy.
20. On September 13, 2016, United Specialty Insurance Company (United Specialty) sent a Notice of Cancellation, Nonrenewal or Declination of Insurance effective September 26, 2016, to SAI. On October 11, 2016, United Specialty returned the premium, totaling \$393.75 to SAI.
21. SAI pocketed the premium refund and did not notify CTRL that its policy had been canceled.

Operating without a License

22. During these transactions, Grice, SAI, and Hernandez engaged in the business of insurance without licenses.
23. SAI and Hernandez were never licensed with the department during this time.

24. Grice also engaged in the business of insurance after knowingly and voluntarily surrendering his insurance licenses to the department.

Legal Allegations

1. Respondents engaged in the business of insurance without any licenses or authorizations to perform the acts of an agent or to operate an insurance agency as required by TEX. INS. CODE §§ 101.102 and 4001.101.
2. Respondents are engaging in acts that constitute the business of insurance and acting as agents pursuant to TEX. INS. CODE § 101.051, including doing any kind of insurance business specifically recognized as constituting insurance business within the meaning of statutes relating to insurance, as contemplated by TEX. INS. CODE § 101.051(b)(8).
3. The department is charged with protecting its residents against evasion of the insurance regulatory laws of this state, as contemplated by TEX. INS. CODE § 101.001(b)(4).
4. TDI may seek disciplinary action against a former license holder for conduct committed before the effective date of a voluntary surrender, as contemplated by TEX. INS. CODE § 4005.107.
5. Pursuant to TEX. INS. CODE § 4005.101(b)(1), TDI may discipline Respondents because they have willfully violated an insurance law of this state.
6. Respondents violated TEX. INS. CODE § 4005.101(b)(4) by misappropriating, converting to their own use, and illegally withholding money belonging to an insurer, insured, enrollee, or beneficiary.
7. Respondents violated TEX. INS. CODE § 4005.101(b)(5) by engaging in fraudulent or dishonest acts.

Relief Sought

If one or more of the above allegations is found to be true, the commissioner may enter an order revoking your license, ordering you to cease and desist from certain activity, and/or imposing an administrative penalty, restitution, and additional sanctions. You have the right to appear at this hearing and to be represented by an attorney. Please address

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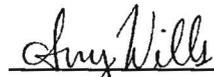
any questions and correspondence to the undersigned counsel at the address or telephone number below.

Important Security Notice

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.

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

Sincerely,



Amy L.K. Wills
Staff Attorney
State Bar No. 24093379
Texas Department of Insurance
Legal and Enforcement Division - Enforcement Section, MC110-1A
P.O. Box 149104
Austin, Texas 78714-9104.
(512) 676-6343 (Phone)
(512) 490-1020 (Fax)
Amy.Wills@tdi.texas.gov

cc: Leah Gillum, Associate Commissioner, Enforcement Section MC-110-1A
Ginger Loeffler, Director, Licensing Litigation Office, Enforcement Section, MC-110-1A
Administrative Review, MC107-1A

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Certificate of Service

I, Amy Wills, certify that a true and correct copy of this *First Amended Notice of Hearing* was sent by regular, first-class mail and by certified mail, return receipt requested, on this 27th day of November, 2018 to:

Richard H. Grice
4800 Lamonte Lane No. 4409
Houston, Texas 77092
Respondent Pro Se

Via CM/RRR No.:
9214 8901 9403 8375 5776 11
And First-Class Mail

Richard H. Grice
705 North Division Street
Mount Union, Pennsylvania 17066
Respondent Pro Se

Via CM/RRR No.:
9214 8901 9403 8375 5776 28
And U.S. Mail

Richard H. Grice
249 E. 30th St.
Tucson, AZ 85713-2941
Respondent Pro Se

Via CM/RRR No.:
9214 8901 9403 8375 5776 42
And U.S. Mail

SAI Agency
4800 Lamonte Lane No. 4409
Houston, Texas 77092
Respondent Pro Se

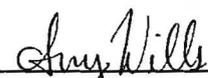
Via CM/RRR No.:
9214 8901 9403 8375 5777 10
And U.S. Mail

SAI Agency
3406 Creekmont Dr
Houston, Texas 77091
Respondent Pro Se

Via CM/RRR No.:
9214 8901 9403 8375 5777 34
And U.S. Mail

Rhiannon Hernandez
3406 Creekmont Dr
Houston, Texas 77091
Respondent Pro Se

Via CM/RRR No.:
9214 8901 9403 8375 5777 65
And U.S. Mail



Amy L. Wills



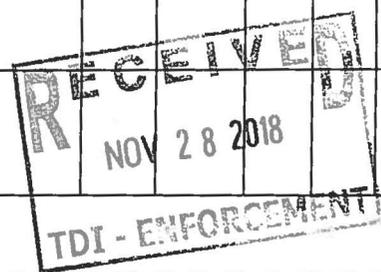
Name and Address of Sender
MC 110-1A M RUIZ
Texas Department of Insurance
333 Guadalupe St
Austin Tx 78701

Check type of mail or service
 Adult Signature Required Priority Mail Express
 Adult Signature Restricted Delivery Registered Mail
 Certified Mail Return Receipt for Merchandise
 Certified Mail Restricted Delivery Signature Confirmation
 Collect on Delivery (COD) Signature Confirmation Restricted Delivery
 Insured Mail
 Priority Mail

Affix Stamp Here
(if issued as an international certificate of mailing or for additional copies of this receipt).
Postmark with Date of Receipt.

2019 -

| USPS Tracking/Article Number | Addressee (Name, Street, City, State, & ZIP Code™) | Postage | (Extra Service) Fee | Handling Charge | Actual Value if Registered | Insured Value | Due Sender if COD | ASR Fee | ASRD Fee | RD Fee | RR Fee | SC Fee | SCRD Fee | SH Fee | |
|--------------------------------|--|---------|---------------------|--|----------------------------|---------------|-------------------|---------|--------------------------|-------------------------------------|---------------------|----------------|------------------------|--|------------------|
| 1. 9214 8901 9403 8375 5776 11 | RICHARD H GRICE 4800 LAMONTE LANE NO 4409 HOUSTON TX 77092 | 1.42 | 3.45 | Handling Charge - if Registered and over \$50,000 in value | | | | | | | 1.50 | | | 5837 | |
| WILLS/13259, 16686, 15154 | | | | | | | | | | | | | | | |
| 2. 9214 8901 9403 8375 5776 28 | RICHARD H GRICE 705 NORTH DIVISION STREET MOUNT UNION PA 17066 | 1.42 | 3.45 | | | | | | | | | 1.50 | | | |
| 3. 9214 8901 9403 8375 5776 42 | RICHARD H GRICE 249 E 30TH ST TUCSON AZ 85713-2941 | 1.42 | 3.45 | | | | | | | | | 1.50 | | | |
| 4. 9214 8901 9403 8375 5777 10 | SAI AGENCY 4800 LAMONTE LANE NO 4409 HOUSTON TX 77092 | 1.42 | 3.45 | | | | | | Adult Signature Required | Adult Signature Restricted Delivery | Restricted Delivery | Return Receipt | Signature Confirmation | Signature Confirmation Restricted Delivery | Special Handling |
| 5. 9214 8901 9403 8375 5777 34 | SAI AGENCY 3406 CREEKMONT DR HOUSTON TX 77091 | 1.42 | 3.45 | | | | | | | | | | | | |
| 6. 9214 8901 9403 8375 5777 65 | RHIANNON HERNANDEZ 3406 CREEKMONT DR HOUSTON TX 77091 | 1.42 | 3.45 | | | | | | | | 1.50 | | | | |



Total Number of Pieces Listed by Sender
6

Total Number of Pieces Received at Post Office
(Handwritten mark)

Postmaster, Per (Name of receiving employee)
(Handwritten signature)



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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: 11/27/2018
 Shipped From:
 Name: MC 110-1A M RUIZ
 Address: 333 GUADALIPE 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 | 6 |
| Total | 6 |

*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 0011 4524 77



WILLS/13259, 16686, 15154