

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

October 16, 2015

Via Certified Mail # 7009 1680 0002 2604 3284 and U.S. Mail

Carlton Saffa  
P.O. Box 7753  
Little Rock, AR 72207

RE: AID FILE Numbers - 100261, 100263, 100647, 100262

## LETTER OF REPRIMAND

Dear Mr. Saffa:

The Legal Division has concluded the investigation into the above referenced matters. An Investigative Conference was held on October 1, 2015. Upon review of the information obtained from that conference, statements from the complainants and information from the carrier, it has been determined that the information provided to the consumers on the Return on Premiums, status of old policies and cost of new policies was confusing and misleading. Additionally, some complainants were adamant that they did not sign the premium checks.

The Department finds that there were suitability issues with the new policies placed, inadequate procedures implemented by the carrier, potential misrepresentation, and alleged fraud. The foregoing actions are a violation of Arkansas Code Annotated §§23-64-512(a)(7); 23-66-206(2)(B) and (8)(F).

In dealing with consumers, particularly senior citizens, it is extremely important that you exercise an abundance of caution so that there is understanding and suitability of the product. The purpose in replacing a policy should be for the benefit and betterment of the insured.

Pursuant to the Department's review and investigation, you are hereby served with this Letter of Reprimand.

Please be advised that this Letter of Reprimand will be placed in the appropriate file as a permanent record for referral. Additionally, this Letter of Reprimand will be forwarded to the National Association of Insurance Commissioners ("NAIC") for publication on the NAIC website.

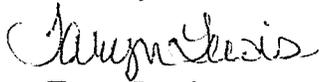
At this time, the carrier has made all of the complainants whole and you voluntarily surrendered your license prior to this investigation and therefore are not conducting insurance business in

Mr. Carlton Saffa  
October 16, 2015  
Page 2

Arkansas. If you seek to renew or obtain an insurance license, the Department will consider the allegations of the complainants and shall require at least (6) hours of continuing education in Ethics, preferably with a focus on suitability and misrepresentation. You may report this continuing education to Ms. Taryn Lewis, the Legal Division Investigator in this case.

The Department reserves all rights and remedies under the Arkansas Insurance Code with regard to continuing or additional investigation into your conduct as a licensee. If you feel that this Letter of Reprimand is unjust or unwarranted, you may request an administrative hearing within thirty (30) days of your receipt of this correspondence.

Thank you,



Taryn Lewis  
Investigator  
Arkansas Insurance Department  
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