

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
Christy Lea Vocque and
THE VOCQUE AGENCY

A.I.D. NO. 2006 -19-A

REVISED CONSENT ORDER

On this day Julie Benafield Bowman, Arkansas Insurance Commissioner ("Commissioner"), Christy Lea Vocque ("Respondent"), and the Vocque Agency, reached an agreement concerning the resident insurance producer's license issued to Respondent by the Arkansas Insurance Department ("Department"). The Commissioner was represented by Nina Samuel Carter, Associate Counsel. The Respondent voluntarily and intelligently waived her right to counsel and to a hearing and consented to the entry of this Consent Order. The parties agreed as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. § 23-61-103, the authority to issue summary license suspensions and revocations under Ark. Code Ann. § 23-64-216(e), and the authority to impose administrative penalties under Ark. Code Ann. § 23-64-216(d). Additionally, pursuant to Ark. Code Ann. §23-66-209, the Commissioner may require the Respondent licensee to show cause why a cease and desist order should not be entered to prohibit her/its insurance transactions or business in this State.

2. Respondent holds an active resident Arkansas insurance producer's license granted by the Department, and at all times relevant herein, Respondent was a licensed

2. Respondent holds an active resident Arkansas insurance producer's license granted by the Department, and at all times relevant herein, Respondent was a licensed agent and owner of The Vocque Agency. The Vocque Agency holds an active resident Arkansas insurance agency license granted by the Department. The most recent addresses of Respondent and her agency, as provided by Respondent to the Department, are as follows:

Christy Lea Vocque, 15510 West Miller, Bauxite, AR 72011, and 301 Roya Lane, Bryant, AR 72022; The Vocque Agency, 3411 Main Street, Suite 1, Bryant, AR 72022.

3. According to the Arkansas Insurance Department Legal Division ("Legal Division"), a number of serious complaints against Respondent have been received concerning allegations of misappropriation of insurance premiums. According to the Legal Division's files and investigation, the Legal Division avers that pursuant to Ark. Code Ann. §§ 23-64-216 and 23-64-512, the following causes exist for the immediate revocation of all licenses: Improperly withholding, misappropriating, or converting any moneys or properties, received in the course of doing insurance business, in violation of Ark. Code Ann. § 23-64-512(a)(4); Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation or financial irresponsibility, in violation of Ark. Code Ann. § 23-64-512(a)(8).

4. Specifically, the Legal Division alleges the following misconduct by Respondent and her agency:

a) On or about June 14, 2005, consumer Edward Morris paid Respondent and her agency the sum of \$1482.00 as premiums for commercial general

liability insurance coverage with Nautilus Insurance Company to be effective June 14, 2005, through June 14, 2006. Although Mr. Morris tendered the full premium amount to Respondent, Respondent allegedly requested Premium Financing Specialists, Inc. to finance the policy without the knowledge or consent of Mr. Morris. Further, the address listed on the application for financing is not the proper address for Mr. Morris or his company, Eddy's Tree Service, instead it is listed as P.O. Box 237, Bauxite, AR 72011. Respondent did attempt to make a small deposit with Argenia, the general agent, but the check bounced, resulting in Respondent's failure to remit any premium funds received from Mr. Morris to Argenia or Nautilus Insurance Company. However, Premium Financing Specialists sent a payment from the financed annual premium money to Argenia. Respondent received the funds for the annual premium from Mr. Morris, misappropriated and held said funds for her own use and benefit and failed to pay the funds to the insurer, or general agent, or the finance company. As a result, the policy was cancelled for non-payment to the finance company on August 15, 2005;

b) On or about July 5, 2005, Respondent provided a copy of a binder to Julie Krauss as proof of insurance with Agents Mutual on Ms. Krauss' property. Saline County Abstract & Guaranty sent a check for the premium to Respondent on July 14, 2005, in the amount of \$896.00. Ms. Krauss alleges that she had 3 vehicles insured with Progressive with premiums paid until October 13, 2005, and Respondent added her additional vehicle, a Nissan Pathfinder, to the policy without Ms. Krauss's knowledge. The added vehicle

raised Ms. Krauss' bill by \$484.00. Ms. Krauss never received the bill because it was not sent to her proper address, instead the bill was sent to P.O. Box 237, Bauxite, AR 72011. Ms. Krauss states that she paid Respondent on January 13, 2005, and April 13, 2005, for coverage on the Pathfinder through November 5, 2005. Ms. Krauss' car insurance was cancelled on August 9, 2005, due to nonpayment of the additional bill amount of \$484.00, but she never received the notification of cancellation. Ms. Krauss was informed by Progressive that her mailing address was changed to P.O. Box 237, Bauxite, AR 72011 on May 12, 2005, which was without Ms. Krauss' knowledge.

c) On or about July 1, 2005, a homeowners insurance policy sold by Respondent to Dorothy Shelnett, Hartford policy 38RBA468588, was cancelled due to nonpayment of premiums. Ms. Shelnett tendered a check for \$1547.00 on April 4, 2005, for premium on the homeowners policy plus two rental properties, and was given receipts for all three coverages. Respondent received the funds for the premium, misappropriated and held said funds for her own use and benefit and failed to pay the funds to the insurer or general agent. As a result, the policy was canceled with notices of cancellations going out from both Nautilus Insurance Company c/o Argenia and Premium Financing Specialists, Inc.;

d) On May 27, 2005, an insurance policy sold by Respondent to Kathy Upchurch was cancelled due to non-payment of premiums. Ms. Upchurch tendered a check for \$1403.00 to Respondent for the premium, which is evidenced by the cancelled check dated November 11, 2004. At the time of

application for the Hartford policy, the premium was noted as paid in full. Hartford has provided information that the account was set up on an eight payment plan and that notices of cancellation were sent to P.O. Box 237, Bauxite, Arkansas, which is not Ms. Upchurch's address. Ms. Upchurch did not receive notification until November 2005 that the policy had been cancelled for nonpayment of premiums on May 27, 2005, due to the incorrect address. Hartford sent the Department a written statement which states that "the agent contacted our Customer Service Department on February 9, 2005, via telephone, and requested to update the address at that time" to P.O. Box 237, Bauxite, Arkansas. Respondent received the funds for the premium, misappropriated and held said funds for her own use and benefit and failed to pay the funds to the insurer or general agent. As a result, the policy was canceled.

5. For the above actions, the Department alleges that Respondent is in violation of the following insurance code provisions: A) Ark. Code Ann. §23-64-506(e), in that she is deemed not to be "competent, trustworthy, financially responsible and of good personal and business reputation; B) Ark. Code Ann. §23-64-512(a)(4), for improperly withholding, misappropriating, or converting any moneys received in the course of doing insurance business; C) Ark. Code Ann. §23-64-512(a)(8), in that she demonstrated untrustworthiness and financial irresponsibility; and D) Ark. Code Ann. § 23-64-223 in that Respondent failed to account for premiums received and failed to pay these premiums to the insured, in breach of her fiduciary duty as a licensee to treat these moneys as trust funds.

6. Respondent desires to voluntarily submit her licenses for revocation by the Department and to pay restitution to affected persons. In so doing, Respondent neither admits any allegations contained herein, nor makes any admissions related to the allegations or complaints filed herein.

CONCLUSIONS OF LAW

1. That the Commissioner has jurisdiction over the parties and over the subject matter herein pursuant to Ark. Code Ann. § 23-61-103.

2. That pursuant to Ark. Code Ann. § 23-64-512(a) and § 23-64-216(d)(1), if the Commissioner finds that one or more grounds exist for the suspension or revocation of any license under § 23-64-216(a)(1), the Commissioner in her discretion, may impose upon the licensee an administrative penalty in the amount of up to one thousand dollars (\$1,000) per violation.

3. That pursuant to Ark. Code Ann. § 23-64-216(d)(3), the Commissioner may also order restitution of actual losses to affected persons. As set forth in Exhibit A, as established to date by the documents and information gathered in the course of the subject investigation, Respondent currently owes a sum of \$20,302.17 to the insurance consumers set forth in Exhibit A and is hereby ordered to pay restitution accordingly.

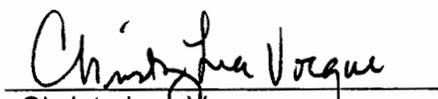
4. That Respondent has been made fully aware of her right to counsel and to a hearing and has voluntarily and intelligently waived said rights and consents to the entry of this Consent Order.

THEREFORE, in consideration of these Findings of Fact and Conclusions of Law, it is hereby ordered and agreed that Respondent's resident Arkansas Insurance

producer's license(s) and The Vocque Agency's resident Arkansas Insurance agency license are hereby voluntarily surrendered for revocation by the Arkansas Insurance Commissioner. Pursuant to Ark. Code Ann. §23-64-218(a)(1), Respondent shall immediately forward to the Insurance Commissioner all insurance agent and insurance agency licenses previously issued to Respondent. Respondent is prohibited from being employed in the business of insurance in any capacity that gives her access to funds and is prohibited from engaging in any insurance activity that requires an insurance license. Pursuant to Ark. Code Ann. § 23-64-216, Respondent shall also pay restitution of \$20,302.17 and an administrative penalty of \$1,000.00. Therefore, in conjunction with the entry of this Order, Respondent shall present to the Department separate restitution payments for each consumer listed in Exhibit A, which the Department will then forward to the respective consumer; additionally, the Respondent shall present the amount owed for the administrative penalty made payable to the Department. The Department reserves the right to supplement this Order with subsequent complaints received, most particularly those including additional restitution as additional insurance consumer losses caused by Respondent become known.

DATED this 14~~th~~ day of August 2006.


 JULIE BENAFIELD BOWMAN
 INSURANCE COMMISSIONER
 STATE OF ARKANSAS


 Christy Lea Vocque

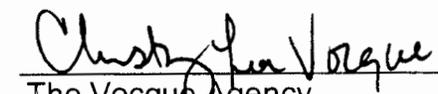

 The Vocque Agency

Exhibit A

In the matter of Christy Vocque/The Vocque Insurance Agency

<u>Restitution Payable to:</u>	<u>Amount</u>	<u>Consumer</u>
Safeco	\$424.84	Scott Chandler
Dana Green	836.00	Dana Green
Dennis Hudgens	570.00	Dennis Hudgens
Floyd Keene	768.00	Floyd Keene
Don Meredith	514.80	Don Meredith
Mike Newlon	265.00	Mike Newlon
Dorothy Shelnut	802.00	Dorothy Shelnut
Hartford	745.00	Dorothy Shelnut
Ronny Ulmer	258.40	Ronny Ulmer
Chuck Turner	125.00	Chuck Turner
Kathy Upchurch	1,403.00	Kathy Upchurch
Uysuf Johnson	997.36	Julie Krauss
Julie Krauss	1,488.00	Julie Krauss
Michael Christenson	2,697.00	Michael Christenson
Carol Friend	3,329.19	James & Carol Friend
Laurie LaCour	637.50	Laurie LaCour
Hartford	1,025.00	Laurie LaCour
Hanover	241.23	Donna Williams
Donna Williams	806.77	Donna Williams
Walter B. Phelps	886.08	Walter B. Phelps
Premium Financing Specialists, Inc.	1,482.00	Edward Morris dba Eddy's Tree Serv.
TOTAL	20,302.17	