

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
JAMES ALFRED SANDERS
LICENSE NO. 4198

A.I.D. NO. 2008-063A

REVOCATION ORDER

On October 8, 2008, a hearing was held at the Arkansas Insurance Department ("Department") before Julie Benafield Bowman, Arkansas Insurance Commissioner ("Commissioner") and Hearing Officer, over the matter regarding the Emergency License Suspension of James Alfred Sanders ("Respondent"). The Department was represented by Nina Samuel Carter, Associate Counsel. From the facts, evidence, and law before the Commissioner, it is found as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. § 23-61-103 and the authority to revoke producer licenses under Ark. Code Ann. § 23-64-216(e), § 23-64-512(a), and § 23-66-408.
2. Respondent is currently licensed in Arkansas as a resident life, accident and health, property and casualty, marine, and surety insurance producer, license number 4198. Respondent's last address of record at the Department is P.O. Box 5541, Fort Smith, AR 72913.

3. On or about August 8, 2008, the Department received information that criminal charges were pending for Respondent due to abuse of an endangered or impaired person.

4. According to the Judgment and Disposition Order in the Circuit Court of Sebastian County, Arkansas, Fort Smith District, Criminal Division I, CR-2007-1558, Respondent received a felony conviction for the abuse of an endangered or impaired person (Class B Felony).

5. On September 2, 2008, the Department entered an Emergency Suspension Order against Respondent based on the following violations of the Insurance Code for: Failing to notify the commissioner in writing within 30 days of any filing of a criminal charge or conviction or plea of a criminal charge, in violation of Ark. Code Ann. § 23-64-201; Having been convicted of a felony, in violation of Ark. Code Ann. § 23-64-512(a)(6); 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); and Failing to provide reasonable and professional service to each insured or prospective insured, in violation of Ark. Code Ann. § 23-66-307(a)(1).

6. Respondent testified at the Emergency License Suspension hearing that he did not abuse or endanger an impaired person as his felony conviction suggests; however, he did admit that he shirked his fiduciary duties and responsibilities by mismanaging funds entrusted to him to pay bills for a nursing home patient by using some of the money for his own personal benefit.

7. Respondent also testified at the Emergency License Suspension hearing that he did not report his conviction of a felony, as the insurance code requires.

8. The Arkansas Producer Licensing Model Act, codified at Ark. Code Ann. § 23-64-506(e)(1), requires that in order to obtain or renew an insurance producer's license, a resident producer must be deemed by the Commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation. In order to remain licensed, those qualifications must continue. In light of the foregoing findings of fact and the admitted evidence that Respondent was convicted of a felony and failed to report that felony to the Department, Respondent does not meet the statutory prerequisites.

CONCLUSIONS OF LAW

1. The testimony and supporting documentation entered into evidence at the hearing and before the hearing record closed is sufficient to make a finding that the Respondent cannot be deemed "competent, trustworthy, and financially responsible, and of good personal and business reputation" to engage in the sale of insurance products as required by the Insurance Code, and no longer meets the qualifications for licensure by the Department.

2. Respondent has been convicted of a felony, which is a basis for license revocation under Ark. Code Ann. § 23-64-512(a)(6).

3. Respondent failed to notify the Commissioner of a filing of a criminal charge or conviction or plea of a criminal charge, in violation of Ark. Code Ann. § 23-64-201.

4. Pursuant to Ark. Code Ann. § 23-64-512, the Commissioner is authorized to revoke Respondent's license because he no longer meets the qualifications required for a license as described above.

IT IS THEREFORE ORDERED AND ADJUDGED that:

A. The Department has met its burden of proof with respect to revoking any and all of Respondent's resident insurance producer licenses.

B. The Department's Emergency License Suspension Order No. 2008-063 is upheld and that any and all licenses issued by the Department to Respondent James Alfred Sanders are hereby revoked on the grounds stated above.

C. Pursuant to Ark. Code Ann. § 23-64-218(a)(1) and (2), Respondent shall immediately forward to the Commissioner all insurance producer licenses issued to Respondent by the Department.

D. All companies appointing Respondent as agent shall be notified of this Order.

IT IS SO ORDERED THIS 3rd day of November, 2008.


JULIE BENAFIELD/BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS