

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
RHONDA NEW
LICENSE NO. 197924

A.I.D. NO. 2009- 020

CONSENT REVOCATION ORDER

On this day, Jay Bradford, Arkansas Insurance Commissioner ("Commissioner"), and Rhonda New ("Respondent") agree to enter into this Consent Revocation Order for the reasons stated below. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law set forth below. From the facts and law before the Commissioner, he finds:

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 issue summary license suspensions and/or order payment of penalties under Ark. Code Ann. §§ 23-60-108, 23-64-216(e), 23-64-512(a), and 23-66-408.
2. Respondent holds an inactive license as a resident property, casualty, marine and surety agent and holds Arkansas resident producer license #197924. Respondent's address is 565 N. New York, Caraway, Arkansas, 72419. Respondent held appointments with Bristol West Insurance Company, Farmers Insurance Company, Inc., Farmers Insurance Exchange, Mid-Century Insurance Company, and Truck Insurance Exchange.
3. On April 28, 2008, the Arkansas Insurance Department Criminal Investigation Division was notified by InsureMax that Respondent had an excessive number of "NSF" or insufficient funds charges and that there was not any money in her account when they tried to sweep it to collect premiums. InsureMax further stated to the Department that an internal investigation was on-going.

4. On October 18, 2007, Vicki G. Wood called InsureMax to inquire why her policy had lapsed as she had made a payment on October 3, 2007. After calling Respondent, Respondent uploaded the payment the same day resulting in Ms. Wood's policy being reinstated.

5. On October 17, 2007, Carolyn Horton called asking why her policy had been canceled when she had made a payment to the Respondent on October 8, 2007. Later the same day, Respondent uploaded the payment. InsureMax reinstated the policy during the period of October 8, 2007 and October 17, 2007.

6. On October 10, 2007, Steve McGuire called InsureMax to report that he made timely payments to Respondent, but that she had failed to submit these payments to the company. Due to this, his policy lapsed but he did not know of it until he was stopped by a police officer and informed during the stop. His repeated calls to Respondent were not answered. When Respondent finally uploaded the payment, she billed Mr. McGuire for a late fee and a lapse fee despite the fact that he had paid September 7, 2007, for a bill that was due September 8, 2007. Mr. McGuire additionally had to pay a higher premium when he changed insurance companies because his record showed a lapse in payment.

7. On December 31, 2007, Sandra Greg called InsureMax to ask why she had received a cancellation notice for nonpayment when she had paid at the beginning of the month. Respondent uploaded the money on January 2, 2008.

8. On April 2, 2008, Respondent uploaded \$150 of Timothy Sullivan's \$260 payment. InsureMax then contacted Mr. Sullivan to explain that he was actually required to pay \$502.33 in premium. Mr. Sullivan then called Respondent. Respondent advised Mr. Sullivan that she would pay the difference between the amount due and the \$260 previously paid by Mr. Sullivan. Mr. Sullivan informed InsureMax and faxed a receipt to InsureMax showing \$512.33. Respondent uploaded the payment to InsureMax.

9. On December 13, 2007, Rosie Davenport contacted InsureMax inquiring about a cancellation notice as she had paid her bill on December 1, 2007. Respondent uploaded the payment on December 20, 2007.

10. On June 19, 2008, InsureMax received a notice from the bank that the client sweep was against an invalid account number. The sweep was for Lucy Selvy. InsureMax contacted Ms. Selvy who stated that she paid all of her premiums to Respondent and did not have a checking account. InsureMax then determined that the account information was the same as Respondent's personal account.

11. Between August 3, 2007, and August 5, 2008, Respondent's account had "NSF" charges thirteen (13) times, resulting in no payment or delayed payment to InsureMax.

12. InsureMax filed suit against Respondent for failure to remit premiums and collection of commissions in violation of their contract. The suit was filed in The Circuit Court of Mississippi County, Arkansas, and is case number CV 2008-48. Respondent failed to respond and a default judgment was granted on October 24, 2008. Respondent has been making payments to InsureMax as a result of the judgment.

13. On May 15, 2007, Kenny and Billie Stewart had a small fire in their kitchen. They contacted Respondent who told them not to file and that she would pay for the damages. They then received a notice that their homeowner's policy was going to cancel on April 22, 2008, after being paid in full in January 2008. The Stewarts contacted Respondent to learn that she had not submitted payment until March 2008.

VIOLATIONS

Respondent is in violation of:

14. Ark. Code Ann. §23-64-216(a) (1) which provides that a license may be suspended or revoked for violation of any of the causes listed in Ark. Code Ann. § 23-64-512;

15. Ark. Code Ann. § 23-64-512(a)(2) which provides that a license may be suspended or revoked for violating any insurance laws, or violating any regulation, subpoena or order of the commissioner or of another state's insurance commissioner;

16. Ark. Code Ann. § 23-64-512(a)(4) which provides that a license may be suspended or revoked for improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business;

17. Ark. Code Ann. § 23-64-512(a)(7) which provides that a license may be suspended or revoked for having been found to have committed any insurance unfair trade practice or fraud;

18. Ark. Code Ann. § 23-64-512(a)(8) which provides that a license may be suspended or revoked for using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation or financial irresponsibility;

19. Ark. Code Ann. § 23-66-307(a) (1), which provides that a licensee must provide reasonable and professional service to each insured;

20. Ark. Code Ann. § 23-64-223 provides that the producer receives premiums in a fiduciary capacity and must remit these premiums to the appropriate person to who the money is owed;

21. Ark. Code Ann. § 23-66-205 as more specifically defined in Ark. Code Ann. § 23-66-206(10)(A), and Ark. Code Ann. § 23-66-308 which states that no producer shall pay or offer to pay premiums for clients; and

22. Ark. Code Ann. § 23-64-506(e) (1) & (2), which provide that a resident applicant or producer must be deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation, and that such qualifications must continue for an individual to remain licensed.

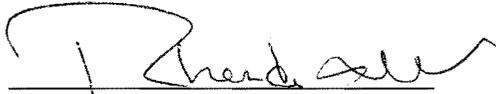
CONCLUSIONS OF LAW

23. Based on the allegations contained herein, Respondent is in violation of Ark. Code Ann. § 23-64-216, § 23-64-512, § 23-66-307, and § 23-64-506.

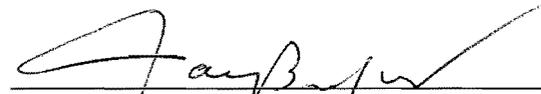
24. Considering the Commissioner's Conclusions of Law, the Respondent voluntarily surrenders her producer license for revocation by the Department.

THEREFORE, it is hereby ORDERED AND AGREED that: All licenses issued by the Department to Rhonda New are revoked.

IT IS SO ORDERED THIS 24th day of March, 2009.



RHONDA NEW



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS