

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF
WILLIAM H. MILES;
LICENSE NO. 94940**

A.I.D. NO. 2009- 023

CONSENT ORDER

On this day, the matter of William H. Miles ("Respondent") came before Jay Bradford, Arkansas Insurance Commissioner ("Commissioner"). The Arkansas Insurance Department ("Department") is represented by Associate Counsel, Amanda Capps Rose, in this matter. The Respondent neither admits nor denies any of the Findings of Fact or the Conclusions of Law contained herein. From the facts and law before her, the Commissioner finds as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.
2. Respondent is a resident of Marianna, Arkansas and holds Arkansas resident producer license number 94940.
3. The Department has received four (4) complaints against the Respondent, and the Respondent appeared for an Investigative Conference, held on November 13, 2008, to discuss the allegations of each complaint.
4. The Department received a complaint from James Kurt Miles regarding payment of premium to the Respondent for General Liability in connection with his business. The complaint was referred to the Legal Division on June 22, 2007.
 - a. Mr. Miles paid premium in the amount of three thousand ninety-four dollars (\$3094.00) and never received the requested policy, nor was General Liability coverage ever bound by the Respondent.

b. Mr. Miles paid the premium amount listed above in or around March of 2006 and did not receive a refund from the Respondent until on or about December 15, 2008.

c. During his investigative conference, the Respondent admitted that he neither refunded the premium nor bound the coverage.

d. Mr. Miles filed a lawsuit against the Respondent in small claims court seeking a refund of the premium paid, costs, and interest. Mr. Miles prevailed against the Respondent in the small claims action and a judgment was entered against the Respondent for damages, costs, and interest.

5. Chinetta and Keith Lee filed a complaint against the Respondent, which was referred to the Legal Division on September 22, 2008.

a. The Lees submitted an application to the Respondent on or about December 3, 2007 for property insurance to cover certain tools. At that time, the Respondent did not request any additional information and the Lees understood that the coverage was bound.

b. The tools at issue were stolen from the Lees' residence in late December, 2007. The insurance company denied their claim due to the Respondent's failure to submit requested information, which was subsequently submitted on January 17, 2008, after the Respondent learned of the loss.

c. Because the coverage was not bound on the date of the loss, the Lees' claim was denied and their loss was not covered.

d. The Department's Consumer Services Division had to request a response to the complaint from the Respondent on three (3) separate occasions. Although the Respondent subsequently submitted various documents, a response to the specific allegations of the complaint was not received.

6. Lonnie and Sandra Blocker filed a complaint against the Respondent, which was referred to the Legal Division on January 22, 2008.

a. The Blockers used the Respondent as their agent in 2005 to obtain crop insurance through Great American Insurance Company. They submitted the necessary information to the Respondent to continue the policy for the 2006 crop year and their complaint alleges that the Respondent told them he had everything he needed from them.

b. Following the harvesting of crops in 2006, the Blockers submitted information to the Respondent to file a claim on their behalf. The Blockers were subsequently unable to obtain information regarding their claim from the Respondent and contacted the company. Great American Insurance Company informed them that necessary documentation, namely an acreage report, was not provided. Accordingly, the Blockers were informed that there was no coverage for their loss. The company has also stated that even if there had been coverage, the claim was not timely submitted by their agent, the Respondent.

c. During his investigative conference at the Department, the Respondent admitted that the Acreage Report is a form that the Blockers would provide to him to submit to the company. He submitted the report for them as well as filed a claim for them under the previous year's crop policy. With regard to the late submission of the 2006 claim, the Respondent admitted that he did not know on what date the Blockers reported the claim to him.

7. Argenia, LLC filed a complaint in September 2008 against the Respondent alleging that the Respondent owed it six thousand three hundred sixty dollars and seventy cents (\$6,360.70) for goods and services provided.

a. The Brokerage Agreement between Argenia, LLC and the Respondent requires the Respondent to submit all premiums, whether collected or not, to Argenia, LLC.

b. Argenia, LLC attempted to collect payment of the premium owed from the Respondent on several occasions without success.

c. During his investigative conference at the Department, the Respondent admitted that he owed these funds to Argenia, LLC.

d. Argenia, LLC has agreed to allow the Respondent to pay five hundred dollars (\$500) per month until the account balance is paid in full, with the first payment being due on December 1, 2008. As of the date of this order, Argenia, LLC has confirmed that the Respondent is in compliance with this payment schedule.

8. Respondent has knowingly and voluntarily waived his right to an administrative hearing.

CONCLUSIONS OF LAW

From the Findings of Fact contained herein, the Commissioner concludes as follows:

9. With regard to the premium paid by James Kurt Miles, and held by the Respondent for more than two (2) years without coverage being bound, the Respondent is in violation of Ark. Code Ann. § 23-64-223(a) and this conduct is grounds for suspension or revocation of the Respondent's license pursuant to § 23-64-512(a)(4).

10. Respondent's failure to timely respond to the Department concerning the complaint of Keith and Chinetta Lee is grounds for suspension or revocation of the Respondent's license pursuant to Ark. Code Ann. §§ 23-64-512(a)(13) and (16).

11. Respondent's dealings with the Lees and the Blockers, as set forth above, demonstrates incompetence and untrustworthiness and is grounds for suspension or revocation of the Respondent's license pursuant to Ark. Code Ann. § 23-64-512(a)(8).

12. Respondent's failure to make payments due Argenia, LLC pursuant to the parties' Brokerage Agreement demonstrates financial irresponsibility and is grounds for suspension or revocation of the Respondent's license pursuant to Ark. Code Ann. § 23-64-512(a)(8).

IT IS THEREFORE ORDERED:

1. Respondent shall provide Keith and Chinetta Lee and Lonnie and Sandra Blocker with the information necessary to allow them to file a claim on the Respondent's errors and omissions insurance.

2. Respondent shall continue making payments to Argenia, LLC as previously agreed.

3. Respondent shall submit to the Department a Business Plan for the Respondent's agency, Bill Miles Insurance, that shall include the following:

a. A plan for the acceptance, deposit, and proper payment of all fees, premiums, and other funds received in the Respondent's capacity as a licensee. All such funds are to be treated as trust funds as required by Ark. Code Ann. § 23-64-223(a). The plan shall include specific time frames within which funds are paid to an insurer or broker or, if insurance is not placed, the specific time frame within which a refund will be made to the consumer or applicant.

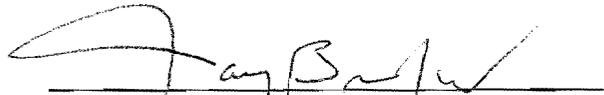
b. A plan for documenting, and meeting, all deadlines related to an application for insurance, a renewal of a policy, or the filing of a claim, including a plan for timely providing all necessary documentation to the insurer or broker in order to bind coverage or file a claim.

c. A plan for document retention and organization in a manner that facilitates timely compliance with any request for information from consumers, insurers, and the Department.

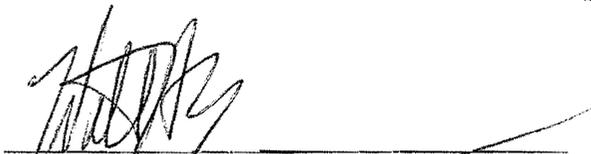
4. Proof of compliance with the requirements herein imposed shall be provided to the Department within ninety (90) days of the date of this order.

5. Respondent shall be, and hereby is, placed on probation for a period of two (2) years from the date of this order pursuant to Ark. Code Ann. § 23-64-512(a). Any failure to comply with the provisions of this order or the Arkansas Insurance Code, or the receipt of additional complaints against the Respondent, during the period of probation may result in the suspension or revocation of the Respondent's producer license.

IT IS SO ORDERED this 26th day of March, 2009.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS



WILLIAM H. MILES
RESPONDENT