

BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS

IN THE MATTER OF  
BRENDA FARDEECEY  
LICENSE NO. 59358

A.I.D. NO. 2009- 030

CONSENT REVOCATION ORDER

On this day, Jay Bradford, Arkansas Insurance Commissioner ("Commissioner"), and Brenda Fardecey ("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 active resident license as a resident property, casualty, marine, surety, life, and accident, health and sickness agent and holds Arkansas resident producer license #59358. Respondent's address is 207 East Greenbriar, Osceola, Arkansas 72370. Respondent holds an appointment with American Family Life Assurance Company of Columbus.
3. On December 20, 2005, Respondent submitted an application for Rodney Riley to have the premiums deducted through payroll issued by the City of West Memphis. On the application, Mr. Riley and Respondent submitted information that stated that Mr. Riley had never been treated for congestive heart failure, never had a heart attack, did not have high blood pressure, did not have diabetes, did not have heart disease, and had not

taken any prescription medication within the last six weeks. A later interview determined these answers to be false and the policy was denied. A copy of the denial was sent to both Mr. Riley and Respondent. Respondent denies receiving the denial.

4. On December 14, 2006, Respondent then filed an application for Chiquita Riley having a spousal rider of \$50,000. Mr. Riley was listed as the spouse and the premium deductions were authorized to come from Mr. Riley's payroll. Mrs. Riley had never worked for the City of West Memphis as alleged on the application. On the application, Mrs. Riley and Respondent submitted information that stated that Mr. Riley had never been treated for congestive heart failure, never had a heart attack, did not have high blood pressure, did not have diabetes, did not have heart disease, and had not taken any prescription medication within the last six weeks. The signature of Mrs. Riley also had several similarities to the handwriting of Mr. Riley. This policy was issued on January 1, 2007.

5. On October 7, 2007, Mrs. Riley applied for a hospital indemnity policy and stated in the application that Mr. Riley had not been confined in a hospital or received medical treatment in an ER in the last twelve months for Type II diabetes, hypertension, or chronic obstructive pulmonary disease. This application was signed by agents Chris Cash and Timothy Hypya. Mrs. Riley's signature was substantially different from the signature alleged to have been hers on the December 14, 2006 application.

6. On January 26, 2008, Mr. Riley died at Crittenden Regional Hospital due to probable myocardial infarction, hypertension and diabetes. The proof of death was submitted to AFLAC on February 7, 2008.

7. On August 13, 2008, AFLAC terminated Respondent for Cause stating that Respondent had been found to have placed ineligible persons on accounts and knowingly

submitted applications with false information. Total loss by AFLAC was \$52,343.95 for the payout of the policy and the unearned premium.

#### VIOLATIONS

Respondent is in violation of:

8. 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;

9. 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;

10. 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;

11. Ark. Code Ann. § 23-64-512(a)(5) which provides that a license may be suspended or revoked for intentionally misrepresenting the terms of an application of insurance;

12. 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

13. 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.

14. 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 Brenda Fardecey are revoked.

IT IS SO ORDERED THIS 1<sup>st</sup> day of April, 2009.

Brenda Fardecey  
BRENDA FARDEECEY

Jay Bradford  
JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS