

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
BETTY SUE REYNOLDS
LICENSE NO. 42528

A.I.D. NO. 2009- 074

CONSENT ORDER

On this day Jay Bradford, Arkansas Insurance Commissioner ("Commissioner"), and Betty Sue Reynolds, ("Respondent"), 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. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law as set forth below. Respondent was represented by Guy Wade, of Friday Eldredge and Clark, and voluntarily and intelligently waived her right to a hearing and consented to the entry of this Consent Order. From the facts and law before the Commissioner, he finds:

FINDINGS OF FACT

1. Respondent is currently licensed in Arkansas as a resident casualty, marine, property and surety insurance producer, license number 42528. Respondent's last address of record at the Department is 2906 Rodney Parham, Little Rock, AR 72212.

2. The Legal Division of the Department received multiple complaints against Respondent's husband, John Reynolds, but it was determined that the policies were actually for Respondent's agency, Owens Property and Casualty.

The complaints received alleged mishandling of endorsement requests and premium moneys.

3. After conducting an investigation, the Department finds that Mr. John Reynolds operates his insurance agency, Reynolds Agency, in the same office space as his wife Respondent operates her insurance agency, Owens Property & Casualty Agency ("Owens Agency"). Mr. Reynolds is not affiliated with Owens Agency nor is he an employee of Owens Agency. However, Mr. Reynolds frequently answers the phone for Owens Agency and speaks with consumers who hold Owens Agency policies. This overlap in office space results in consumers holding the belief that Mr. Reynolds is their agent with Owens Agency while, in fact, does not have authority to discuss Owens Agency policies.

4. For the above actions, the Department alleges that Respondent is in violation of the Insurance Code for: 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); Engaging in an unfair or deceptive act or practice in the business of insurance, in violation of Ark. Code Ann. § 23-64-205; Failing to provide reasonable and professional service to each insured or prospective insured, in violation of Ark. Code Ann. § 23-66-307(a)(1); Failing to exercise discretion and good faith in the insurance sales presentation or transaction, in violation of Ark. Code § 23-66-307(a)(2);

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. § 23-64-216, the Commissioner may place in probationary status any license issued by him if it is found that any one (1) or more violations of the causes listed under § 23-64-512 exist.

3. That Respondent has been made fully aware of her right to a hearing and has voluntarily and intelligently waived said right 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:

A. Respondent's resident Arkansas insurance producer's license(s) is placed in probationary status for two years from the date of this Order.

B. Respondent is advised that probationary status means that the imposition of additional insurance license sanctions that the Commissioner may impose by law or by informed consent upon her is suspended contingent upon her compliance and good conduct during this probationary period. See Ark. Code Ann. §§ 23-64-216 and 23-64-512.

C. If Respondent violates the terms of this probation or any provision of the Insurance Code during the probation period, Respondent's license will be suspended and a revocation hearing will immediately be set and will result in statutorily imposed sanctions. See Ark. Code Ann. §§ 23-64-216 and 23-64-512.

D. In accordance with a business plan proposal submitted by Respondent and approved by the Department:

- (i) Owens Property & Casualty Agency will no longer share office space with John Reynolds and the Reynolds Insurance Agency.
- (ii) Reynolds Insurance Agency's name will be removed from the office door.
- (iii) The phone system will no longer roll over from one agency to the other. The system will solely represent Owens Property & Casualty to callers.
- (iv) Respondent and her employees will maintain sole access to client files in the office of Owens Property & Casualty.
- (v) John Reynolds will not be provided a key to the office of Owens Property & Casualty.

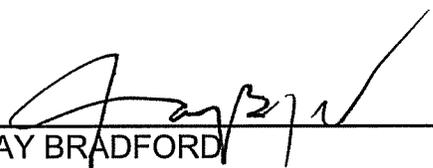
Respondent has 30 days from the date of this Order to be in compliance with items (i) through (v) listed above.

E. Respondent is advised that probationary status means that the imposition of additional insurance license sanctions that the Commissioner may impose by law or by informed consent upon her is suspended contingent upon her compliance and good conduct during this probationary period. See Ark. Code Ann. §§ 23-64-216 and 23-64-512.

F. If Respondent violates the terms of this probation or any provision of the Insurance Code during the probation period, Respondent's license will be

suspended and a revocation hearing will immediately be set and will result in statutorily imposed sanctions. See Ark. Code Ann. §§ 23-64-216 and 23-64-512.

IT IS SO ORDERED THIS 18th day of September, 2009.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS



Betty Sue Reynolds