

BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS

IN THE MATTER OF  
BEATRICE QUALLS  
LICENSE NO. 89792

A.I.D. NO. 2009 - 096

CONSENT ORDER

On this day Jay Bradford, Arkansas Insurance Commissioner ("Commissioner"), and Beatrice Qualls, ("Respondent"), reached an agreement concerning the insurance license issued to Respondent by the Arkansas Insurance Department ("Department"). The Commissioner was represented by Booth Rand, Chief Counsel. The Respondent voluntarily and intelligently waived her right to a hearing and consented to the entry of this Consent Order. The parties agreed as follows:

FINDINGS OF FACT

1. The Respondent is a holder of a resident Arkansas insurance producer license granted to her by the Commissioner for the State of Arkansas. The Respondent was first issued an insurance producer license by the Department on or about May 7, 1999 to sell funeral expense policies. According to Department records, the Respondent's last reported address to the Department is 5475 Highway 27 North, Story, Arkansas 71970.

2. According to a report filed at the Department on June 15, 2009 by Selected Funeral and Life Insurance Company ("SFLIC") and a subsequent audit conducted by SFLIC of the 2007 and 2008 records and receipts of Thornton Funeral Home in Mt. Ida, Arkansas, SFLIC alleges that Respondent collected approximately \$1,605.09 in SFLIC premiums and failed to either submit, or timely submit, the

premiums to SFLIC for nine policyholders. At the time of the collections, the Respondent was responsible for sales and also premium remittance to SFLIC. Selected Financial Service Corporation owns Thornton Funeral Home. Specifically, on several occasions, SFLIC discovered in its audit that applications and checks submitted to Thornton Funeral Home by insureds were not forwarded to SFLIC and remained in files at the funeral home. Following the audit, SFLIC terminated its appointment with the Respondent. SFLIC states in its Report that sometime in the fall of 2008, the Respondent became seriously ill and did not return to work at the funeral home. SFLIC states that at that time another funeral home employee assumed the responsibilities of the premium remittance to SFLIC.

3. SFLIC has properly credited the accounts of the affected policyholders, with interest, and issued or re-instated any affected policies, for which premium was either not submitted or not timely submitted for those policies discovered during the audit by SFLIC.

4. Under Ark. Code Ann. § 23-64-512(a)(4), the Insurance Commissioner may revoke an insurance producer's license for improperly withholding any moneys or properties received in the course of conducting insurance business. Under Ark. Code Ann. § 23-64-512(a)(2), the Insurance Commissioner may revoke an insurance producer's license for violating any insurance laws or violating any regulation, subpoena, or order of the Commissioner or of another state's insurance commissioner. Under Ark. Code Ann. § 23-64-223, insurance producer's have a fiduciary duty to forward collected premiums to the insurer in the regular course of business. The Respondent here failed to timely forward premium and applications to the insurer.

5. Respondent desires to voluntarily submit her license for revocation by the Department. In so doing, Respondent neither admits any allegations made in any Department Order nor makes any admissions related to the complaints forming the basis for, either alleged or implied, in any Department administrative action, notice, or Order resulting in the termination of Respondent's insurance agent's license.

CONCLUSIONS OF LAW

That the Commissioner has jurisdiction over the parties and over the subject matter herein.

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 Respondent's non-resident Arkansas insurance producer's license(s) is hereby voluntarily surrendered for revocation by the Arkansas Insurance Commissioner. Respondent shall immediately forward to the Insurance Commissioner all insurance producer licenses.

DATED this 30 day of November, 2009

Beatrice Qualls  
BEATRICE QUALLS

Jay Bradford  
JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS