

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

ARKANSAS INSURANCE DEPARTMENT,)
Petitioner)
)
vs.)
)
WILLIAM H. MILES,)
Respondent)
)

A.I.D. NO. 2011- 010

EMERGENCY SUSPENSION 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 Amanda Capps Rose, Associate Counsel, in this matter. From the facts and law before the Commissioner, he 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 licensed to write life, accident, and health and sickness, casualty, marine, property, surety insurance and variable products in the State of Arkansas. Respondent holds Arkansas Nonresident Producer License No. 94940.
3. Respondent’s last known address on record with the Department is P.O. Box 56, Marianna, Arkansas 72360.
4. The Department’s Consumer Services Division received a consumer complaint on August 19, 2010 filed by Mr. Stanley Jones.
5. Mr. Jones alleged that, on or about March 19, 2010, he submitted premium monies in the amount of two thousand four hundred ninety-eight dollars (\$2,498) to the Respondent for coverage on two (2) homes, a shop, three (3) automobiles and liability coverage.

6. On or about May 19, 2010, Mr. Jones learned that the requested property and liability coverage was never obtained by the Respondent when an Insurance Binder was provided and the coverage could not be verified because it was never bound.

7. The Insurance Binder was issued by the Respondent's agency and signed for the Respondent by his unlicensed employee, Kimberly Miles.

8. On July 29, 2010, the sum of one thousand one hundred fifty-five dollars (\$1,155) was refunded to Mr. Jones by the Respondent.

9. On January 12, 2011, the Respondent appeared at the Department for an Investigative Conference regarding Mr. Jones complaint. Respondent did not deny the allegations of the complaint.

10. At the time Mr. Jones filed his complaint and this Department conducted its investigation, the Respondent was on probation with this Department pursuant to Ark. Code Ann. § 23-64-512(a) as ordered in A.I.D. Order No. 2009-023, which is incorporated herein by reference.

11. The public health, safety and welfare imperatively require emergency action.

CONCLUSIONS OF LAW

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

12. With regard to the premium paid by Mr. Jones and held by the Respondent for more than four (4) months without coverage being bound, the Respondent is in violation of Ark. Code Ann. § 23-64-223(a). This section of the Arkansas Insurance Code requires a producer to hold premium funds in trust and pay them forward in the ordinary course of business or return them to the insured or other appropriate party.

13. Improperly withholding premium funds is grounds for suspension or revocation of the Respondent's producer license pursuant to § 23-64-512(a)(4).

14. Allowing a non-licensed individual to execute an Insurance Binder advising a consumer of insurance coverage violates Ark. Code Ann. § 23-64-201(b)(1), which requires licensure in order to advise on matters of insurance coverage.

15. Issuance of an Insurance Binder where no coverage has been bound is a misrepresentation and, therefore, a violation of the Trade Practices Act, Ark. Code Ann. §§ 23-66-201, *et seq.*

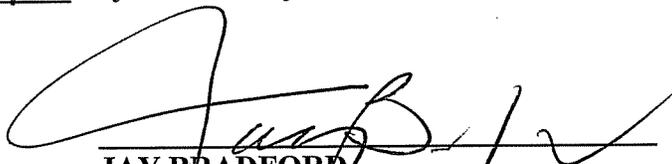
IT IS THEREFORE ORDERED:

1. The Respondent's Resident Producer License No. 94940 is hereby suspended pursuant to Ark. Code Ann. § 23-64-216(e), and Respondent shall not engage in the business of insurance in the State of Arkansas during this period of suspension.

2. Respondent shall provide Stanley Jones with an interest payment of six percent (6%) on the one thousand one hundred fifty-five dollars (\$1144) that were improperly withheld. Evidence of said payment must be received by this Department no later than ten (10) business days from the date of this Consent Order.

3. As required by Ark. Code Anni. § 23-64-216(e), an administrative hearing has been scheduled regarding this matter, and a Notice of Hearing is included herewith.

IT IS SO ORDERED this 14th day of February, 2011.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS