

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

**ARKANSAS INSURANCE DEPARTMENT,**     )  
**Petitioner**                                     )  
   )  
**vs.**   )  
   )  
**SCOTT C. STIVERS,**                             )  
**Respondent**                                     )

**A.I.D. NO. 2012- 445**

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**REVOCATION ORDER**

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On this day, the matter of Scott C. Stivers (“Respondent”) came before Jay Bradford, Arkansas Insurance Commissioner (“Commissioner”). A hearing was held at 9:00 a.m. on May 21, 2012 in the Hearing Room of the Arkansas Insurance Department (“Department”) pursuant to a Notice of Hearing dated May 10, 2012. The hearing was held before Chief Deputy Commissioner Lenita Blasingame (“Hearing Officer”), pursuant to her appointment by the Commissioner in accordance with Arkansas Code Annotated § 23-61-103. The Department was represented by Amanda J. Andrews, Associate Counsel, and Respondent was represented by Jeff Weber.

**FINDINGS OF FACT**

1. Respondent holds an Arkansas Resident Producer License, number 273585, and he resides in Bryant, Arkansas.
2. On September 16, 2010, Allstate Insurance Company notified the Department that it terminated Respondent for cause on the grounds that Respondent engaged in criminal or unlawful conduct and failed to maintain a professional office environment.

3. On December 30, 2010, Respondent submitted an application to renew his resident producer license, and when asked whether he was convicted of a crime since the date of his last renewal (question 1), Respondent answered "no."

4. The Department later discovered that Respondent had, in fact, been convicted of a crime in 2010 and conducted an investigation into the events surrounding Respondent's convictions. The investigation revealed the following facts:

- a) On April 28, 2010, Respondent notified the Bryant Police Department that his agency's office located in Bryant, Arkansas, was robbed. An envelope containing \$80.20 was stolen from Respondent's desk. After further investigation, Respondent discovered that his assistant, Amber Autry, stole the money from his desk, and she had been stealing premium money, which she was required to deposit into the agency's bank account, from his agency for several months.
- b) Respondent reported the theft to the Bryant Police Department, and when law enforcement questioned Autry about the theft, she confessed that she stole money from Respondent's agency and that Respondent paid her and her cousin money to perform sexual acts with him in the agency's office.
- c) On June 14, 2010, Respondent was charged with two (2) counts of sexual solicitation in Saline County District Court, and on October 8, 2010, Respondent was convicted of one (1) count of sexual solicitation.

5. Respondent did not report to the Department his criminal conviction or that premium money was stolen from his agency by his employee, and in December 2010, Respondent submitted false information on his renewal applications (specifically, that he had not been convicted of a crime since the date of the last license renewal).

6. Based on the foregoing, an Emergency Suspension Order was entered against Respondent, and an administrative hearing was scheduled for May 21, 2012. Respondent appeared at the hearing with counsel. However, Respondent declined to testify, per the instructions of his counsel, and his counsel did not submit any evidence or testimony on behalf of Respondent.

### **CONCLUSIONS OF LAW**

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

7. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Arkansas Code Annotated § 23-61-103.

8. The Commissioner may suspend or revoke a producer's license for any one (1) or more of the following causes: providing incorrect, misleading, incomplete, or materially untrue information in the license application; violating a law or regulation of the Commissioner; obtaining or attempting to obtain a license through misrepresentation or fraud; using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation, or financial irresponsibility. Ark. Code Ann. § 23-64-512(a)(1), (2), (3), (8).

9. Arkansas Code Annotated §§ 23-64-201(e) and 23-64-517(b) require a licensee to report any criminal charge or plea in any court within thirty (30) days, and failure to so report may result in immediate suspension of the license.

10. Arkansas Code Annotated § 23-64-223(a) provides that all funds, fees, moneys, premiums, or return premiums received by a licensee in the capacity as a licensee shall be trust funds so received by the licensee in a fiduciary capacity, and the licensee shall in the applicable

regular course of business account for and pay these funds, fees, moneys, premiums, or return premiums to the insured, insurer, licensee, or any other person entitled thereto.

11. Arkansas Code Annotated § 23-66-505 requires any person engaged in the business of insurance who has knowledge or a reasonable belief that a fraudulent insurance act is being, will be, or has been committed must provide to the Insurance Commissioner the information required by, and in a manner prescribed by, the Commissioner. Once the report is made, the person has a continuing obligation to provide to the Department all information the Commissioner deems relevant pertaining to any investigation of a fraudulent act or related criminal violation, and the refusal to fully comply with the Commissioner's request for information is grounds for the suspension, revocation, denial, or nonrenewal of any license.

12. It is unlawful for any person to submit to the Department any statement or information he knows to be false or misleading in a statement, application, form, or other document required to be filed by the Arkansas Insurance Code. Ark. Code Ann. § 23-60-109

13. The evidence at the hearing established that Respondent was convicted of a crime on October 8, 2010, Respondent failed to report the conviction to the Department, Respondent failed to report that his employee stole premium money from his agency, and Respondent failed to disclose the criminal conviction on the license renewal application.

**RECOMMENDATIONS OF THE HEARING OFFICER**

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before her, the Hearing Officer recommends:

14. Based upon Respondent's violation of Arkansas law, specifically, Arkansas Code Annotated §§ 23-64-512(a)(1), (2), (3) and (8), 23-64-201(e), 23-64-517(b) and 23-66-505, I recommend immediate revocation of Respondent's Arkansas Resident Producer License, number 273585.

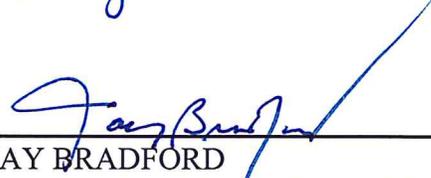
  
LENITA BLASINGAME  
CHIEF DEPUTY COMMISSIONER and  
HEARING OFFICER

**CERTIFICATION**

I, Jay Bradford, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by Lenita Blasingame, Chief Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

THEREFORE, it is hereby ORDERED that the Respondent's Arkansas Resident Producer License, number 273585, is revoked.

IT IS SO ORDERED THIS 31<sup>st</sup> DAY OF May, 2012.

  
JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS