

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

**IN THE MATTER DEWAYNE HILL, AN
ARKANSAS RESIDENT PRODUCER**

A.I.D. 2012- 5752

CONSENT ORDER

Now on this day, the matter of Dewayne Hill of Little Rock, Arkansas, License No. 335101, an Arkansas resident producer (“Respondent”), comes before Jay Bradford, Insurance Commissioner of the State of Arkansas (“Commissioner”). The Arkansas Insurance Department (“Department”) is represented by Associate Counsel, Ava Franks. The Commissioner and Respondent are in agreement concerning the matter of the producer operating under the Consent Order. From the facts, matters, and other evidence before the Commissioner, the Commissioner and Respondent consent and agree to the following:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the Respondent and subject matter herein pursuant to Ark. Code Ann. §§23-61-103, *et seq.*
2. Respondent is an Arkansas resident producer and is licensed to conduct insurance business in the state of Arkansas.
3. The Department received a complaint and launched an investigation of Respondent pursuant to Ark. Code Ann. §23-66-208.
4. The Department issued a Notice of Hearing pursuant to §23-66-209, which named Dewayne Hill as Respondent, with a hearing date of June 28, 2012. The charges are as follows:
 - a. Utilizing material which Respondent should have known was prohibited by the Department. Respondent stated, under oath, that this material was pulled from the agency a week after he became employed by that agency.

- b. The Department has evidence of Respondent forcing his way into consumers' homes as well as harassment of consumers and their family members when they refused to answer the door of their residence.
- c. Use of misleading marketing material and advertisements, including telemarketing scripts that reference Medicare.
- d. Respondent utilizes a slideshow during the course of the business of insurance that references the legal reserve.
- e. Respondent represented this legal reserve slideshow was provided to him by Lincoln Life; Department investigation determined this representation is not true.
- f. Records lawfully obtained from Respondent demonstrate unsuitable replacements, lack of comparison forms or memorandum, and evidence of churning.
- g. Insufficient business records due to incomplete usual and customary records. The Department, upon copying what was represented as the full and complete business records for the last two (2) years of business, was unable to locate usual and customary records.

5. Respondent has knowingly and voluntarily waived the right to an administrative hearing and has been made aware of the right to consult legal counsel prior to executing this Consent Order.

CONCLUSIONS OF LAW

6. Noncompliance, with an instruction of the Arkansas Insurance Department constitutes misrepresentation to a regulator, which is a violation of the Trade Practices Act, Ark. Code. Ann. §23-66-206(6).

7. Using coercion or intimidation during the business of insurance, is prohibited by Ark. Code Ann. §23-66-206(1).

8. Misleading marketing material and advertisements are a violation of Rule 99 and Rule 13. Violations of Rule 99 include misleading telemarketing scripts and advertisements that use a trade name and an insurance group designation, “if the advertisement would have the capacity or tendency to mislead or deceive as to the true identity of the insurer or create the impression that a company other than the insurer would have any responsibility for the financial obligation under a policy.” Rule 13 pertains to Long-Term Care Insurance, which includes procedures for advertising Long-Term Care Insurance, which has not been followed.

9. Use of a slideshow during the course of soliciting the business of insurance that references the legal reserve is a violation of the Trade Practices Act, §23-66-206(8)(D) and Ark. Code Ann. §23-96-105(A).

10. False or misleading statements made to a Regulator is a violation of Ark. Code Ann. Trade Practices Act §23-66-206(6).

11. Unsuitable replacements, lack of comparison forms or memorandum, and evidence of churning are violations of the Trade Practices Act, including §23-66-206(2), §23-66-307, §23-66-306, and Rule 97.

12. Ark. Code Ann. § 23-64-220 requires usual and customary records to be kept for at least five (5) years from the date the record was created. Usual and customary records means

“applications, memoranda, notifications of telephone conversations or other communications, billing information, correspondence, policy information, claims files, and any other records detailing insurer information or insurance policies or contracts bound through the agent or broker.”

13. Respondent is liable for failure to report fraudulent insurance acts, required by Ark. Code Ann. §23-66-505.

14. Knowledge of any and all unlawful acts found to be conducted at the agency for which Respondent was manager are imputed to Respondent pursuant to Ark. Code Ann. § 23-64-512(c), “the license of a business entity may be suspended, revoked, or refused if the commissioner finds, after hearing, that an individual licensee’s violation was known or should have been known by one (1) or more of the partners, officers, or managers acting on behalf of the partnership or corporation and the violation was neither reported to the commissioner nor corrective action taken.”

15. Pursuant to §23-66-512, licensees who are found to have violated the Trade Practices Act are subject to suspension, revocation, or monetary penalties, up to ten thousand dollars (\$10,000) per violation, or both.

IT IS THEREFORE ORDERED

Respondents’ Arkansas Resident Producer License No. 335101 is hereby **REVOKED**. Respondent agrees that this Consent Order may be considered in the granting or denial of an Arkansas insurance license in the future. Respondent agrees that she shall not take any position as an officer, director, or employee of any entity conducting the business of insurance in the State of Arkansas.

June, 2012.

IT IS SO ORDERED, DIRECTED, AND AGREED TO THIS 28th DAY OF



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS

VERIFICATION

By execution hereof, Dewayne Hill consents to the entry of this Consent Order and agree, without reservation, to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind Dewayne Hill to the terms and conditions of this Consent Order.

Dewayne Hill

Name: Dewayne A. Hill

Signature: Dewayne A. Hill

Title: _____

Date: 6-28-12

State of Arkansas)

County of Pulaski)

The foregoing instrument was signed and acknowledged before me on this 28 day of June by Faith Grigsby, personally known or made known to me.

Faith Grigsby
NOTARY PUBLIC

My commission expires:

6-1-13

