

**BEFORE THE INSURANCE COMMISSIONR
FOR THE STATE OF ARKANSAS INSURANCE DEPARTMENT**

ARKANSAS INSURANCE DEPARTMENT)
)
vs.)
)
JOHN THOMAS TULL and)
HEALTHCARE INSURANCE)
OF ARKANSAS, INC.)

A.I.D. NO. 2012- 697

CONSENT ORDER

Now on this day the matter of John Thomas Tull (“Respondent”) and HealthCare Insurance of Arkansas, Inc. (“Agency”), is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas (“Commissioner”), is represented by Amanda J. Andrews, Associate Counsel, Legal Division of the Arkansas Insurance Department (“Department”), and Respondent and the Agency are represented by T. Ark Monroe, III of Mitchell, Williams, Selig, Gates & Woodyard, PLLC. From the facts, matters and other things before the Commissioner, is finds and concludes as follows:

FINDINGS OF FACT

1. Respondent resides in Jonesboro, Arkansas, and holds Arkansas Resident Producer License No. 22838.
2. Respondent owns and operates Healthcare Insurance of Arkansas, Inc., an Arkansas Resident Agency, license no. 231103, located in Jonesboro, Arkansas, and he employed his son, Spencer Tull, Arkansas Resident Producer License No. 259009.
3. On September 18, 2010, Spencer’s producer license lapsed. However, he continued to sell insurance through the Agency.
4. In January 2012, the Department was notified by counsel for Arkansas BlueCross BlueShield that Spencer was selling insurance after his license expired. Around the same date,

the Department received a complaint from a consumer, Carol Waggoner, alleging that beginning in March 2011, Spencer discussed and/or sold her and her husband short term health policies.

5. On January 25, 2012, the Department served Respondent with a Notice of Investigative Conference for February 16, 2012. Respondent appeared at the conference with counsel and fully cooperated with the Department's requests.

6. Respondent testified at the Investigative Conference that he was unaware that Spencer did not have an active producer license, and when he discovered the information, Spencer was not allowed in the Agency or permitted to communicate with the Agency's customers.

7. Respondent further testified that though he did not know that Spencer was engaged in the business of insurance without a license, he is responsible as the Agency owner to ensure that his employees comply with Arkansas laws.

8. Spencer was employed by the Agency and supervised by Respondent. Due diligence on the part of the Agency and Respondent would have discovered that Spencer's license expired on September 18, 2010. However, Respondent failed to implement proper controls in order to determine that a producer of the Agency is properly licensed. Respondent also failed to properly supervise and monitor Spencer and the activities of the Agency, and as a result, an unlicensed person was selling, soliciting and/or negotiating insurance for the Agency, in violation of Arkansas Code Annotated § 23-64-503. Therefore, Spencer's actions could result in administrative action against the Agency and/or Respondent. *See* Ark. Code Ann. § 23-64-512.

9. Respondent prepared and submitted to the Department a Compliance Checklist, which set out the insurance laws of this State with which all Agency employees must comply. The Compliance Checklist is attached hereto as Exhibit "A."

CONCLUSIONS OF LAW

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

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

11. The Commissioner may place on probation, suspend or revoke a producer's license for any one (1) or more of the following causes: violating a law of any state; and knowingly accepting insurance business from an individual who is not licensed. Ark. Code Ann. § 23-65-512(a). Further, the Commissioner may take similar action against the license of a business entity if he finds that an individual licensee's violation was known or should have been known by one (1) or more of the business entity's partners, officers, or managers and the violation was neither reported to the Commissioner nor corrective action taken. Ark. Code Ann. § 23-65-512(c).

COMPLIANCE PLAN

12. The parties hereto agree that the Respondent's Arkansas Resident License No. 22838 and the Agency's Arkansas Resident Agency License No. 231103 will be placed on probationary status for a period of one (1) year.

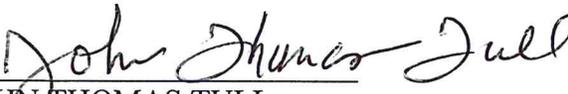
13. In order to prevent such an oversight in the future, Respondent will incorporate into the Agency the Compliance Checklist (Exhibit A), and he agrees to the terms set forth therein and in this Order and to be held strictly liable by both.

14. Respondent further agrees that Spencer Tull is not permitted to be employed by, involved with or affiliated with the Agency or any insurance business in which Respondent is involved.

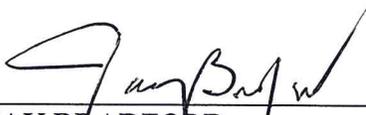
IT IS HEREBY ORDERED:

Based upon the foregoing, the parties hereto agree that the Respondent's Arkansas Resident License No. 22838 and the Agency's Arkansas Resident Agency License No. 231103 are hereby placed on probationary status for a period of one (1) year. If Respondent or the Agency violate any law, rule or regulation during the probationary period, additional administrative action may be taken against Respondent or the Agency.

IT IS SO ORDERED THIS 25th DAY OF September, 2012.



JOHN THOMAS TULL
RESPONDENT AND ON BEHALF OF
THE AGENCY



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS