

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

ARKANSAS INSURANCE DEPARTMENT,)
Petitioner)
)
vs.)
)
FREDDIE MELVIN RATLIFF,)
Respondent)

A.I.D. NO. 2015- 009

EMERGENCY SUSPENSION ORDER

On this day, the matter of Freddie Melvin Ratliff (“Respondent”) came before Allen Kerr, 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 him, the Commissioner finds as follows:

FINDINGS OF FACT

1. Respondent holds an Arkansas Resident Producer License, National Producer Number 10366853. Respondent resides in Little Rock, Arkansas.
2. On or about July 18, 2014, the Department received notification from Farmers Insurance Group (“Farmers”) that the Respondent’s appointments had been terminated for cause. Farmers’ correspondence stated that the Respondent had been paying consumer’s life insurance premiums for them.
3. The Legal Division reviewed the Investigation Report and other information received from Farmers, which noted that one consumer was told by the Respondent that the first year of premium was free and contained information indicating that he was paying the first year of premium for others. The Legal Division’s review of the information also revealed differences

in policyholder signatures between their applications and their automatic withdrawal authorizations.

4. On September 24, 2014, a Notice of Investigative Conference was mailed to the Respondent via certified mail scheduling a conference with the Respondent on October 16, 2014. The correspondence was received and the mail receipt was returned to the Department on September 29, 2014.

5. Respondent failed to appear at the Notice of Investigative Conference on October 16, 2014.

6. 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:

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.

2. The Commissioner has the authority to issue an emergency license suspension pursuant to Ark. Code Ann. §§ 23-64-216(e) and 25-15-211(c).

3. Pursuant to the Arkansas Insurance Code, the Commissioner may suspend or revoke an insurance producer's license based on any of the following grounds:

- (a) Intentionally misrepresenting the terms of an insurance contract or application for insurance;
- (b) Using fraudulent or dishonest practices;
- (c) Forging another's name on any document related to an insurance transaction; or
- (d) Failure to cooperate with an investigation when required by the Commissioner.

See Ark. Code Ann. § 23-64-512(a)(5), (8), (10) and (17).

4. Respondent's alleged payment of premiums for any consumer would constitute rebating, which is a violation of the Trade Practices Act, specifically Ark. Code Ann. § 23-66-206(10)(A)(ii).

5. An administrative hearing will be held promptly, as required by Ark. Code Ann. § 23-64-216(e)(2). A Notice of Hearing is being served herewith.

6. The Commissioner and the Department reserve the right to amend the allegations, findings and conclusions set forth herein and further reserve the right to present additional allegations and evidence in any subsequent order or administrative hearing.

IT IS THEREFORE ORDERED:

In consideration of the Commissioner's Findings of Fact and Conclusions of Law, the Respondent's Arkansas Resident Producer License, National Producer Number 10366853, is hereby immediately suspended.

IT IS SO ORDERED this 20th day of January, 2015.



**ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS**