

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

June 15, 2011

Via Certified Mail Return Receipt No. 7009 1680 0002 2605 5812 & U.S. Mail

Ms. Lacosta Beene
c/o Gary D. Jiles, P.A.
904 Front Street
Conway, Arkansas 72032

LETTER OF REPRIMAND

Dear Ms. Beene:

As we discussed in your June 1, 2011 Investigative Conference, the Department has concerns regarding your marketing and sales materials. As you are aware, a consumer filed a complaint against you alleging that solicitations received by the consumer and his daughter were misleading and inaccurate. You admitted in your conference that the amounts shown in the solicitations as the homeowners' premium were based on assumptions that the home is very new and constructed of brick, which in the Department's opinion would not be true of the great majority of consumers. Accordingly, those types of solicitations are misleading to consumers.

While there is a disclaimer on the solicitations, the basis of the quotes would, in most cases, cause the quotes to be significantly different from the consumer's actual premium after recalculating the quote based on correct information. This causes the solicitation to be misleading and, therefore, a violation of the Arkansas Trade Practices Act, specifically Ark. Code Ann. § 23-66-206(6).

Additionally, an internal investigation was conducted by Allstate into the Cribb Agency in Hot Springs. The investigation was commenced based upon a report that Extended Non-Owned Auto ("ENOA") coverage was submitted without the knowledge or consent of more than 100 customers of the agency. You mailed out letters to existing customers stating that the ENOA coverage was available and would be written in their name. The letters stated that if the customer did not want that coverage, they must sign where indicated and return the letter to you. You then waited approximately one week, then wrote twenty-one policies without the customers' consent. You stated in your conference that you did not know that the coverage only applied to automobiles used for business purposes – coverage that many of the customers did not need. It is unacceptable to this Department that you would not only bind coverage for a customer without their consent, but also do so without investigating the type of coverage or the customer's need for it.

In view of the foregoing facts, please be advised that this **Letter of Reprimand** will be placed in your license file as a permanent record for referral should any other related complaints be received by this Department. Additionally, this **Letter of Reprimand** will be forwarded to the National Association of Insurance Commissioners ("NAIC") for publication on the NAIC website.

Sincerely yours,

A handwritten signature in black ink that reads "Amanda Capps Rose". The signature is written in a cursive style with a large, prominent "R" at the end.

Amanda Capps Rose
Associate Counsel

cc: Matthew K. Brown
Taryn Lewis
Fred Stiffler
LoRraine Rowland
Correspondence File