

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

December 8, 2011

Via Certified Mail (RRR) # 70091680000226038211 & U.S. Mail

Shelly Chapman
12 SFC 338
Forrest City, AR 72335

LETTER OF REPRIMAND

Dear Ms. Chapman:

The Arkansas Insurance Department received notice from The Reliable Life Insurance Company that in April 2009, you collected premiums in the amount of \$287.81 from Reliable policyholders and did not deposit the premiums with Reliable. On multiple occasions, the Department requested you to provide an explanation of the deficiency found by Reliable in an agency audit, and you failed to respond to the requests for information.

The Department finds you in violation of the following Arkansas laws: (1) Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business, Arkansas Code Annotated § 23-64-512(a)(4); (2) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation or financial irresponsibility, Arkansas Code Annotated § 23-64-512(a)(8); (3) Failing to pay premiums to the insurer, in breach of the fiduciary duty as a licensee to treat these moneys as trust funds, Arkansas Code Annotated § 23-64-223; (4) Failing to provide a written response after receipt of a written inquiry from the Commissioner or his representative as to transactions under the license, Arkansas Code Annotated § 23-64-512(a)(13); (5) Refusing to be examined or to produce any accounts, records, or files for examination, Arkansas Code Annotated § 23-64-512(a)(16); and (6) Failing to cooperate with the Commissioner in an investigation when required by the commissioner, Arkansas Code Annotated § 23-64-512(a)(17).

In view of the foregoing facts and violations of Arkansas law, you are hereby served with this **Letter of Reprimand**. The **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, the **Letter of Reprimand** will be forwarded to the National Association of Insurance Commissioners ("NAIC") for publication on the NAIC website.

You failed to renew your producer license on January 13, 2011, and your license is inactive. Therefore, you are prohibited from conducting the business of insurance in the State of Arkansas. If you wish to renew your license or apply for a new license in the future, the Department will reconsider the above violations and may, at that time, impose any regulatory sanction, including refusal to issue or renew the license, available under the Arkansas Insurance Code.

If you feel that this Letter of Reprimand is unjust or unwarranted, you may request an administrative hearing within thirty (30) days of your receipt of this correspondence.

Sincerely,

Amanda J. Andrews

Amanda J. Andrews
Associate Counsel

cc: Fred Stiffler
Ava Franks
LoRraine Rowland
Correspondence File