

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

January 29, 2009

Mr. Keith D. Floyd
54 Sugar Ridge
Texarkana, AR 71854

CERTIFIED RETURN RECEIPT 7003 1010 0000 9423 2790 + U.S. MAIL

RE: Old Reliable Insurance Company – Premium Shortage
AID Case No. 2007-093

LETTER OF REPRIMAND

Dear Mr. Floyd:

On May 14, 2007, the Consumer Services Division of this Department received a complaint from The Reliable Life Insurance Company regarding an audit that determined at least \$882.67 in premium funds were not deposited with the Company as it should have been. The Company's complaint was referred to the Legal Division for further review.

Following receipt of the complaint, Brittny Schofield in the Legal Division forwarded the complaint to you on May 31, 2007. No response was received from you, although the certified mail receipt ("green card") shows that you received and signed for Ms. Schofield's letter. In correspondence dated October 3, 2008, Mary Coney in the Legal Division informed you that your failure to respond was a violation of the Arkansas Insurance Code and requested a written response to the complaint prior to October 15, 2008. You failed to respond to Ms. Coney's request.

Based upon the foregoing, the Department alleges the following violations: Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business, in violation of Ark. Code Ann. § 23-64-512(a)(4); Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation or financial irresponsibility, in violation of Ark. Code Ann. § 23-64-512(a)(8); Failing to provide a written response after receipt of written inquiries from the Department, in violation of Ark. Code Ann. § 23-64-512(a)(13); and Failing to pay premiums to the insurer, in breach of the fiduciary duty as a licensee to treat these moneys as trust funds, in violation of Ark. Code Ann. § 23-64-223.

Pursuant to the review of these files by this Department, you are hereby served with this **Letter of Reprimand**. In view of the foregoing violations, please be advised that this Letter of Reprimand will be placed in the appropriate file as a permanent record for referral. Additionally,

Mr. Keith Floyd
January 29, 2009
Page Two

this Letter of Reprimand will be forwarded to the National Association of Insurance Commissioners ("NAIC") for publication on the NAIC website. At this time, you have failed to renew your producer license with this Department and it is inactive. 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,

A handwritten signature in black ink that reads "Nina S. Carter". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Nina Samuel Carter
Associate Counsel/Legal Division
(501) 371-2820

NSC/msc

cc: Mary Coney