

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

September 16, 2010

VIA CERTIFIED MAIL # 7009 1680 0002 2605 5225 + U.S. MAIL

Mr. Jack Huffer
4808 Lexington Park Circle
Bryant, AR 72002

RE: Insured: Lilly Claybrooks
Complainant: George Murphy
AID File No. 2010-123, 2010-123A, and 2010-123B

LETTER OF REPRIMAND

Dear Mr. Huffer:

We have concluded our investigation into the above-referenced matter and find cause for concern with regard to your actions involving insured Lilly Claybrooks and her son, George Murphy.

Mr. Murphy filed a complaint stating that the application for homeowner's insurance was taken at his mother's home and under the section that would identify any exclusion, you wrote "no exclusions" on the policy. Mr. Murphy states that he later called you concerning a roof claim and you advised him that you would get someone to come out. Murphy further alleges that he contacted you about the claim and you advised that an adjuster came out and said that the damage was pre-existing and would not be covered, so they would have to pay to repair the roof themselves. They did pay to repair the roof and filed a complaint due to the "no exclusions" specification on their policy. You responded to this complaint stating that Mr. Murphy never contacted you about a claim on his roof. Old Reliable ultimately reimbursed Mr. Murphy the funds to repair the roof as it is not feasible that a consumer would pay premiums on a homeowner policy and not file a claim and replace the roof themselves.

Mr. Murphy filed another complaint stating that after his mother passed away in February 2010, you continued to collect premiums on her homeowner policy, even after the policy terminated in February due to her death. When Mr. Murphy approached you about collecting these premiums, you reimbursed him one month's premium from your personal funds. Mr. Huffer, this is not acceptable and is a violation of Ark. Code Ann. § 23-66-308(a). Any premium refund due a consumer should come from the insurer, not the agent's personal funds. It is unclear as to whether or not these funds were even remitted to the company or if they were converted to your personal use as the company did not show documentation that these funds were received. This could also be a violation of Ark. Code Ann. § 23-64-223.

The law requires that the Commissioner must find, among other things, that a person is of good personal and business reputation in order to obtain and maintain a producer license. Your behavior in this matter does not demonstrate good personal and business reputation and such

September 16, 2010

Mr. Jack Huffer

Page 2

conduct will not be tolerated by this Department. We are now closing our file, but should this type of complaint against you be made in the future, this file will be considered in determining what administrative action needs to be taken.

Pursuant to the review of your actions by this Department, you are hereby served with this **Letter of Reprimand**. In view of the foregoing violation, please be advised that this Letter of Reprimand will be placed in the appropriate file as a permanent record for referral. Additionally, this Letter of Reprimand will be forwarded to the National Association of Insurance Commissioners ("NAIC") for publication on the NAIC website. If you feel that this Letter of Reprimand is unjust or unwarranted, you may request a public administrative hearing within thirty (30) days of your receipt of this correspondence.

Sincerely,



Amanda Capps Rose

Associate Counsel

(501) 371-2820

ACR/tal