Arkansas Insurance Department

April 22, 2011

Mike Beebe
Governor

Jay Bradford
Commissioner

MAILED VIA CERTIFIED MAIL # 7003 1010 0001 4479 1635

Berry D. Terry
Abstract of Poinsett County, Inc.
100 North Main Street
Harrisburg, AR 72432

RE: Inactive Agency License No. 324997

LETTER OF REPRIMAND

Dear Mr. Terry:

We, at the Arkansas Insurance Department ("Department"), have completed our review of the above referenced matter and find cause for concern with regard to your lack of attention to maintaining both your title insurance agent's license and the agency license of Abstract of Poinsett County, Inc. ("Abstract").

Although you mailed your agent renewal form to the Department well ahead of the expiration date, you had not completed the required continuing education hours. For this reason, we could not renew your license at that time. We notified you and instructed you to return the renewal notice after completion of the CE requirement. Because you never returned your renewal notice, your license was not renewed and expired on February 27, 2011, even though you had received credit for six (6) hours of CE on February 23, 2011.

When there is only one agent affiliated with an agency license and that agent fails to renew his license, the affiliation is terminated which in turn terminates the appointment of the insurer. When there is no agent affiliated with an agency license, that license goes Inactive. At that point, the agency should cease doing business until its licenses have been brought current. This is what happened in your case; your agency license went Inactive after you failed to properly renew your own agent license.

Even after your agent license expired and your agency license went to Inactive status, you continued to write title insurance business. You issued at least sixteen (16) commitments and/or policies between February 27, 2011, and April 8, 2011, in violation of Ark. Code Ann. § 23-103-403 *et seq*.

Pursuant to Ark. Code Ann. § 23-103-416(a) if the Commissioner determines that a title insurer, title insurance agency, title insurance agent, or any other person has violated this subchapter or any rule or order promulgated under this subchapter, the Commissioner may order:

(1)(A) Payment of a monetary penalty not to exceed one thousand dollars ($1,000) for each act or violation and not to exceed an aggregate penalty of ten thousand dollars ($10,000) unless the title insurer, title insurance agency, title insurance agent, or other person knew or reasonably should have known that the title insurer, title insurance agency, title insurance agent, or other person was in violation of this subchapter.

(B) If the title insurer, title insurance agency, title insurance agent, or other person knew or reasonably should have known that the title insurer, title insurance agency, title insurance agent, or

other person was in violation of this subchapter, the penalty shall not exceed five thousand dollars ($5,000) for each act or violation and not exceed an aggregate penalty of fifty thousand dollars ($50,000) in any six-month period; or

(2) Suspension or revocation of the title insurer's, title insurance agency's, title insurance agent's, or other person's license if the title insurer, title insurance agency, title insurance agent, or other person knew or reasonably should have known that the title insurer, title insurance agency, title insurance agent, or other person was in violation of this subchapter.

Because of the same violation of the Insurance Code last year wherein you were issued a Letter of Warning, the Commissioner could order a penalty of $5,000 for each violation which would total $80,000; however, there is a cap of $50,000 in any six-month period. The Department has chosen to serve you with this **Letter of Reprimand** in lieu of seeking monetary penalties. The Department also trusts that controls are put in place to ensure proper license renewal in the future and proper maintenance of both your agent and agency licenses. With this Letter of Reprimand, we are closing our file, but should these violations occur again in the future, this and all previous files will be considered in determining what administrative action will be taken.

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, this Letter of Reprimand will be published on the Arkansas Insurance Department's website as well as 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 an administrative hearing within thirty (30) days of receipt of this correspondence.

Sincerely,

Nina Carter
Associate Counsel

cc: Sarah Harper Gray, Title Insurance Coordinator
Dan Pryor, Old Republic Title Insurance
Correspondence