

BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS

ARKANSAS INSURANCE DEPARTMENT, )  
PETITIONER )  
 )  
VS. )  
 )  
CHARLES STEWART )  
RESPONDENT )

A.I.D. NO. 2015- 071

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REVOCATION ORDER

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On this day, the matter of Charles Stewart (“Respondent”) came before Allen Kerr, Arkansas Insurance Commissioner (“Commissioner”). The Arkansas Insurance Department (“Department”) is represented by Gray Allen Turner, Associate Counsel, in this matter. From the facts and law before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. Respondent's Arkansas Resident Producer License, National Producer Number 1149524, was suspended by A.I.D. No. 2015-064, on June 30, 2015.
2. This matter came on for hearing on July 16, 2016. Respondent was present and waived his right to counsel.
3. Respondent is a resident of Texarkana, Arkansas.
4. In 2008, Respondent, while acting as a producer, sold a \$25,000 life insurance policy ostensibly to his son Bradley Stewart on the life of Mrs. Roberta Taylor. On the application, Respondent listed Mrs. Taylor as his mother-in-law, even though he had been divorced from Mrs. Taylor's daughter, Rose, for several

years. Respondent was the agent, beneficiary, and payor for the policy. As the agent, he received commissions from the policy for which he was making monthly premium payments. Mrs. Taylor died in 2009, several weeks after the policy was issued. Respondent continued to pay the policy premiums and collect the policy commissions for several years. In 2015, Respondent submitted a request for the death benefit which was denied due to an inaccurate medical description on the policy application that was completed by Respondent.

5. Respondent is married to Willie Stewart, a former non-resident Arkansas producer. Mrs. Stewart had several insurer appointments including Royal Neighbors. Mrs. Stewart ended her appointment with Royal Neighbors in 2014. In 2015, Royal Neighbors received a new appointment request and several life insurance applications allegedly signed by Mrs. Stewart. The policies were all for the children of Mrs. Bertha Brown. When Royal Neighbors contacted Mrs. Stewart about the new appointment application, she denied requesting a new appointment or selling life insurance to anyone in 2015. At the hearing, Respondent admitted to meeting with Mrs. Brown to sell her life insurance policies on behalf of Royal Neighbors, although he had no appointment. He further admitted that he knowingly made a false statement on the application that Mrs. Stewart verified the applicant's identity through her driver's license when, in fact, Mrs. Stewart was not even present. Respondent requested the applications be cancelled several days after they were submitted.

## CONCLUSIONS OF LAW

From the Findings of Fact contained herein, the Commissioner concludes as follows:

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.

2. Under the provisions of Ark. Code Ann. § 23-64-512(9) a producer's license may be revoked for using fraudulent or dishonest practices. Dishonest practices include rebating, as defined by Ark. Code Ann. §23-66-308(a), which includes an agent paying the premium named in a policy of insurance. Respondent knowingly engaged in the practice of rebating when he paid the premiums of Roberta Taylor's life insurance policy for his son, Bradley Stewart.

3. Respondent violated Ark. Code Ann. § 23-64-514(a) which prohibits an insurance producer from acting as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. Respondent knowingly sold life insurance policies on behalf of Royal Neighbors to Mrs. Bertha Brown and her children, without an appointment. .

4. Respondent violated Ark. Code Ann. § 23-66-305(a) which prohibits an agent from making misrepresentations in an application for insurance. Respondent admits that he misrepresented his relationship to Roberta Taylor on the application and made a false statement regarding the identity verification on Mrs. Brown's applications.

RECOMMENDATION OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before her, the Hearing Officer recommends:

1. Respondent's Arkansas Resident Producer License, NPR No. 1149524 should be revoked;
2. Charles Stewart should be required to pay an administrative penalty in the amount of \$1,000.00 within 90 days of this order as authorized by Ark. Code Ann. § 23-64-216(d)(1); and
3. That this revocation order should supersede A.I.D. Order No. 2015-64.

  
SUZANNE TIPTON  
GENERAL COUNSEL  
AND HEARING OFFICER

CERTIFICATION

I, Allen Kerr, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by Suzanne Tipton, General Counsel and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendation in full and enter this Order.

THEREFORE, it is hereby ORDERED that:

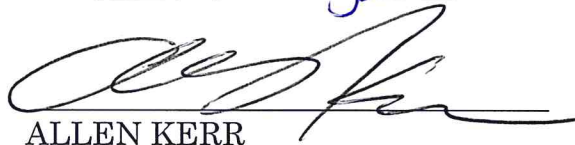
1. Respondent's Arkansas Resident Producer License No. 1149524 is

REVOKED. Respondent shall not conduct the business of insurance in the State of Arkansas unless and until he obtains producer license at a future date consistent with the provisions of Ark. Code Ann. §23-64-217(b).

2. Charles Stewart is hereby ordered to pay an administrative penalty in the amount of \$1,000.00 to the Arkansas Insurance Department Trust Fund, in the form of a cashier's check or money order, C/O Arkansas Insurance Department, Legal Division, 1200 W 3<sup>rd</sup> Street, Little Rock Arkansas 72201 within 120 days of this order.

3. That this revocation order should supersede A.I.D. Order No. 2015-64.

IT IS SO ORDERED THIS 24<sup>th</sup> day of August, 2015.



ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS