BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF: AID ORDER NO. 2018-029

AARON YOUNG
PETITIONER

ORDER

On this day, the matter of the application for a producer license of Aaron Young ("Petitioner") came before Allen Kerr, Arkansas Insurance Commissioner ("Commissioner"). A hearing was held on February 6, 2018, in the First Floor Hearing Room of the Arkansas Insurance Department ("Department") pursuant to a Notice of Hearing dated January 9, 2018. The hearing was held before Chief Deputy Commissioner Russ Galbraith ("Hearing Officer") pursuant to his appointment by the Commissioner in accordance with Ark. Code Ann. § 23-61-103(e)(1). The Department was represented by Gray Allen Turner, Associate Counsel. The Petitioner was present and participated in the hearing.

FINDINGS OF FACT

1. The Commissioner of Insurance has jurisdiction pursuant to the Arkansas Insurance Code, specifically Ark. Code Ann. §§ 23-60-101, *et seq.*

2. Petitioner received notice of the hearing and participated in the hearing.

3. Petitioner resides in Pulaski County, Arkansas.

4. Petitioner previously held a resident insurance producer license.

5. In 2012, Petitioner and the Department approved a consent agreement, AID Order No. 2012-457, in which:

A. Petitioner voluntarily surrendered his insurance agent license

B. Petitioner's insurance agent license was revoked

C. Petitioner agreed that the revocation order could be considered in a future license application hearing.

6. Petitioner submitted an Uniform Individual Application for License/ Registration for an Arkansas resident insurance producer license on March 1, 2017.

7. The Department denied Petitioner's application on March 23, 2017.

8. Petitioner filed a timely request for a hearing.

9. Petitioner's Uniform Individual Application for License/ Registration was incomplete in that he failed to include the following documents or statements:

A. Petitioner failed to fully respond to Question 38(2) in that he did not include a copy of the notice of hearing that preceded the 2012 revocation order.

B. Petitioner failed provide an accurate response to Question 38(3) in that he failed disclose his 2014 Chapter 7 Bankruptcy petition and his 2015 Chapter 13 Bankruptcy petition.

C. Petitioner failed to accurately respond to Question 38(3) in that he failed to "submit a statement summarizing the details of the indebtedness and arrangements for repayment" as to his 2014 Chapter 7 and 2015 Chapter 13 bankruptcy petitions.

D. Petitioner, after indicating he owed child support arrears, failed to accurately respond to Question 38(7) in that he did not disclose the number of months of child support arrears he owed.

10. Petitioner's testimony as to the reason why he failed to disclose his bankruptcy filings and the number of months of child support arrearage he owed was not credible.

11. Petitioner paid $9,283.53 in child support arrearages to the Office of Child Support Enforcement in December of 2017.

12. Petitioner's testimony as to his competence, trustworthiness, and financial responsibility was not credible.

CONCLUSIONS OF LAW

13. To obtain a insurance producer license Ark. Code Ann. § 23-64-202(a)(2)(C)(i) requires that an applicant must be "deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation, and these qualifications must continue in order to remain licensed."

14. Petitioner, as the party requesting an order granting a producer's license, has the burden of proof as per Ark. Code Ann. § 25-15-213(4). Petitioner has failed to present sufficient evidence to meet his burden of proof that he has satisfied the statutory requirements to be an insurance producer as required by Ark. Code

Ann. § 23-64-202(a)(2)(C)(i) and § 23-64-506(e)(1). Specifically, the Petitioner failed to present credible evidence for the Commissioner to find that he is (1) competent, (2) trustworthy, (3) financially responsible, and (4) of good personal and business reputation.

15. The Insurance Commissioner may refuse to issue an insurance producer's license for providing incorrect, misleading, incomplete, or materially untrue information in the license application as per Ark. Code Ann. § 23-64-512(a)(1). Petitioner violated § 23-54-512(a)(1) in that he provided incorrect, misleading, incomplete, and materially untrue information in his license application. Specifically:

A) Petitioner failed to disclose his bankruptcy petitions filed in 2014 and 2015. Similarly, Petitioner failed to provide a statement as to the details of his indebtedness as required in connection to the bankruptcy petitions.

B) Petitioner failed to include a notice of hearing issued in connection with his 2012 revocation order.

C) Petitioner failed to disclose the number of months of child support arrearages he owed on his insurance producer license application.

RECOMMENDATION OF HEARING OFFICER

WHEREFORE, upon consideration of the evidence of record and the foregoing Findings of Fact and Conclusions of Law, the Hearing officer recommends the following:

16. That the Arkansas Insurance Resident Producer license application of Petitioner be denied.

Russ Galbraith
Chief Deputy Commissioner

CERTIFICATION

I, Allen Kerr, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendation of the Hearing Officer were made by and under my authority and supervision by Russ Galbraith, Chief Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law and Recommendation in full, as set forth herein.

THEREFORE, it is hereby ORDERED that the Arkansas producer license application of Aaron Young is denied.

IT IS SO ORDERED THIS 7th DAY OF March, 2018.

ALLEN KERR
INSURANCE COMMISIONER
STATE OF ARKANSAS