

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
NADING INSURANCE
PRE-LICENSING SCHOOL

A.I.D. NO. 2009- 043

ORDER TO SHOW CAUSE

Now on this day comes before Jay Bradford, the Insurance Commissioner for the State of Arkansas ("Commissioner") the matter of the alleged illegal insurance activities of Elvin Kenneth Nading and Dale Elizabeth Nading ("Respondents") and the pre-licensing provider approval issued to Nading Insurance Pre-Licensing School ("Nading School"), 9000 Summer Shade Road, Rogers, AR 72756. The Arkansas Insurance Department ("Department") is represented by Associate Counsel, Ms. Nina Samuel Carter. From the facts, matters and things before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. That the Commissioner has jurisdiction over the Respondents' and Nading School's alleged insurance activities, as well as over the subject matter herein pursuant to Ark. Code Ann. §§ 23-61-103(a) and § 23-66-205. The Commissioner has authority to issue orders to show cause why an order should not be made to cease and desist a practice complained of, pursuant to Ark. Code Ann. § 23-66-209(a).

2. Respondents own and operate Nading Insurance Pre-Licensing School ("Nading School") an insurance pre-licensing education training school in

Rogers, Arkansas. Nading School holds an active Arkansas insurance pre-licensing provider license, Provider ID #20 granted by the Insurance Commissioner for the State of Arkansas.

3. A representative from the Department recently attended a Pre-Licensing training on Life and Accident, Health, and Sickness for Arkansas producers at Nading School.

4. Department Rule 31 requires a minimum of twenty hours of classroom instruction including one hour on Ethics for each line. An applicant for additional lines of authority is exempt from the five (5) hours of state insurance laws and the one (1) hour for the additional line. Thus, training on Life and Accident, Health, and Sickness requires a minimum of thirty-four (34) hours of classroom instruction including one hour on Ethics.

5. The Department representative spent four (4) hours and ten (10) minutes in class on April 1, 2009. The total classroom time on April 2 was four (4) hours and twenty-five (25) minutes. Class ended on April 3 after three (3) hours and fifty-five (55) minutes with Respondent Elvin Nading stating that if the attendees showed up the next day that was great and if they did not show up that was okay also. On April 4, four (4) out of 19 students did not attend and by the end of that day, five (5) more students had left. Class on April 4 lasted about four (4) hours. Total class time for the whole course was 16 hours and 10 minutes.

6. On April 3, certificates for both Life and Accident, Health, and Sickness were passed out before the class had even concluded, providing that the date signed was "4-5-9". The Accident, Health and Sickness certificate

certified that the attendee had received eight (8) hours of instruction on the 5th of April. There were no classes held on Sunday April 5. Both certificates also provide that one (1) hour of Ethics instruction was given, although it actually was not.

7. For the above actions, the Department avers that the failure to ensure adequate direct classroom instruction at the facility during scheduled classes is a violation by the Respondents of Rule 31. The Department further avers that in addition to not ensuring adequate direct classroom instruction, providing certificates of completion attesting to the completion of more hours than the student actually completed is a deceptive and unfair practice of providing false information, in violation of Ark. Code Ann. § 23-66-205, § 23-66-206(6) and § 23-66-206 (7)(B).

CONCLUSIONS OF LAW

THEREFORE, based upon the facts set forth herein, and other matters, pursuant to Ark. Code Ann. § 23-66-209, and having determined that it would be in the best interests of the people of the State of Arkansas, the Commissioner hereby orders:

1. That Respondents appear at the Department to show cause why an order should not be made withdrawing approval as a pre-licensure education provider for Nading Insurance Pre-Licensing School requiring Respondents to cease and desist all scheduled classes at Nading School. The date and time of the show cause hearing shall be mailed to Respondents, separately with this Order.

2. Respondents are further ordered to suspend all classes immediately at Nading School, including the upcoming scheduled May 6, 2009 classes, pending final resolution of this matter.

IS SO ORDERED this 30th day of April, 2009.



LENITA BLASINGAME
CHIEF DEPUTY INSURANCE COMMISSIONER
STATE OF ARKANSAS