

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF
ROBERT SNOW License # 276059**

A.I.D. NO. 2010 14

ORDER

On December 29, 2009, a hearing was held at the Arkansas Insurance Department ("Department") before Lenita Blasingame, Chief Deputy Commissioner and Hearing Officer duly designated by Jay Bradford, Arkansas Insurance Commissioner, over the matter regarding the activity of Robert Snow ("Respondent"). The Department was represented by Robert Alexander, Associate Counsel. Respondent was advised of his right to be represented by counsel, but chose to represent himself. From the facts, evidence, and law before the Commissioner, it is found as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. §23-61-103 and the authority to take administrative action against the producer license under Ark. Code Ann. §23-64-216, and §23-64-512.

2. Respondent helped create a program entitled "Voluntary Income Protection" which he later marketed to railroad workers in Arkansas and other states. The marketing of this program began in October of 2008 and was terminated in April of 2009. Approximately 50 individuals purchased this product.
3. The Voluntary Income Protection Program ("Program") was not an insurance policy issued by an authorized insurance company nor was it exempt from the Department's jurisdiction. The program was patterned after a job income protection program offered by the railroad workers Brotherhood's Relief and Compensation Fund.
4. The program was marketed through an agency formed by the Respondent and two other licensed producers, Mr. Jason Carnley and Mr. Joshua Authement. All three individuals were either involved in the development of the Program or the marketing of the Program. In developing the VIP program, these individuals made an attempt to determine whether their program was subject to the regulation of the Arkansas Insurance Department. When they contacted the Department regarding the BR&CF job income protection program they were informed that that program was not an insurance program and not subject to our jurisdiction. This was based upon the fact that the program was offered through a benevolent society and therefore not insurance. These individuals assumed that all similar programs would likewise not be

subject to the Department's jurisdiction. However, their program was not connected to a fraternal or benevolent society.

CONCLUSIONS OF LAW

Based upon the above and foregoing Findings of Fact and the evidence before her, the Hearing Officer concludes as follows:

5. The Hearing Officer has the authority to render a decision in this matter pursuant to the Administrative Procedure Act, Ark. Code Ann. §25-15-201, et seq. and the delegation of authority from the Commissioner.

6. The Program would be considered an unauthorized insurance product.

7. The testimony and supporting documentation entered into evidence at the hearing is sufficient to make a finding that the Respondent was engaged in marketing an unauthorized insurance product.

RECOMMENDATION OF HEARING OFFICER

Upon consideration of the evidence of record, the Hearing Officer recommends that the foregoing Findings of Fact and Conclusions of Law be approved and adopted. The Hearing Officer also recommends that the Respondent's license be placed on probationary status for a period of one year as prescribed in Ark. Code Ann. §23-64-216(h).


Lenita Blasingame
Chief Deputy Commissioner and
Hearing Officer

CERTIFICATION

I, Jay Bradford, Insurance Commissioner for the State of Arkansas, do hereby certify that the above and foregoing matter was conducted by Lenita Blasingame, Chief Deputy Commissioner and Hearing Officer, by and under my authority and supervision. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendation in full, as set forth herein.

IT IS SO ORDERED THIS 28th day of January, 2010.


JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS