

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

ARKANSAS INSURANCE DEPARTMENT,)
Petitioner)
)
vs.)
)
BETHANY J. GILLHAM,)
Respondent)
)

A.I.D. NO. 2012- 792

REVOCATION ORDER

On this day, the matter of Bethany J. Gillham (“Respondent”), came before Jay Bradford, Arkansas Insurance Commissioner (“Commissioner”). A hearing was held at 9:00 a.m. on November 27, 2012 in the Hearing Room of the Arkansas Insurance Department (“Department”) pursuant to a Notice of Hearing dated October 25, 2012. The hearing was held before acting Chief Deputy Commissioner Lenita Blasingame (“Hearing Officer”), pursuant to her appointment by the Commissioner in accordance with Arkansas Code Annotated § 23-61-103. The Department was represented by Amanda J. Andrews, Associate Counsel.

FINDINGS OF FACT

1. Respondent is an Arkansas resident and holds Resident Producer License No. 402649.
2. On October 2, 2012, the Department received notification from State Farm Insurance Companies that Respondent was terminated for cause. Specifically, State Farm stated that Respondent misappropriated premiums, and that she admitted to said conduct.
3. An administrative hearing was held on November 27, 2012 at 9:00 a.m. after proper notice was served upon Respondent at her last known address. Respondent did not appear at the hearing.

4. Jim Mical, Audit Consultant for State Farm, testified that a policyholder notified State Farm that he received a nonpayment notice, but did, in fact, make a payment to Respondent. After an audit of the customer payment transactions at Respondent's office, State Farm discovered that Respondent misappropriated premiums from three (3) policyholders. Respondent admitted to the misappropriation and was terminated by State Farm.

CONCLUSIONS OF LAW

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

5. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Arkansas Code Annotated § 23-61-103.

6. The Commissioner may revoke a producer's license for any one (1) or more of the following causes: violating a law of this or any state; improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business; using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation, or financial irresponsibility; refusing to be examined or to produce any accounts, records, or files for examination; or failing to cooperate with the Commissioner in an investigation when required by the Commissioner. Ark. Code Ann. § 23-65-512(a).

7. All funds, fees, moneys, premiums, or return premiums received by a licensee in the capacity as a licensee shall be trust funds so received by the licensee in a fiduciary capacity, and the licensee shall in the applicable regular course of business account for and pay these funds, fees, moneys, premiums, or return premiums to the insured, insurer, licensee, or any other person entitled thereto. Ark. Code Ann. § 23-64-223.

8. The Department presented sufficient evidence that Respondent violated Arkansas Code Annotated § 23-64-223 by misappropriating premiums from three (3) consumers, and such conduct is grounds for revocation of her Resident Producer License. Respondent also failed to appear for the administrative hearing.

RECOMMENDATIONS OF THE HEARING OFFICER

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

9. Based upon Respondent's violation of Arkansas law, specifically, Arkansas Code Annotated §§ 23-64-223 and 23-64-512(a), and her failure to appear at an administrative hearing, I recommend immediate revocation of Respondent's Arkansas Resident Producer License.


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 Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by Lenita Blasingame, Chief Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

THEREFORE, it is hereby ORDERED that the Respondent's Arkansas Resident Producer License is revoked.

IT IS SO ORDERED THIS 21st DAY OF December, 2012.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS