

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

**ARKANSAS INSURANCE DEPARTMENT,** )  
 )  
**vs.** )  
 )  
**HARDY FUNERAL HOME** )

**A.I.D. NO. 2013- 100**

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**PROBATION ORDER**

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On this day, the matter of the Prepaid Funeral Benefits Permit for Hardy Funeral Home issued to Charles Hardy, Jr. (“Respondent”) came before Jay Bradford, Arkansas Insurance Commissioner (“Commissioner”). A hearing was held at 10:00 a.m. on September 3, 2013, in the First Floor Hearing Room of the Arkansas Insurance Department (“Department”) pursuant to the Notice of Hearing dated July 22, 2013. The hearing was held before Chief Deputy Commissioner Lenita Blasingame (“Hearing Officer”) pursuant to her appointment by the Commissioner in accordance with Ark. Code Ann. § 23-61-103. The Department was represented by Nina Samuel Carter, Associate Counsel.

**FINDINGS OF FACT**

1. The Commissioner of Insurance has jurisdiction pursuant to the Arkansas Insurance Code, specifically Ark. Code Ann. §§ 23-61-101, *et seq.*
2. Respondent, Charles Hardy, Jr., is vice-president of Hardy Funeral Home of 2408 Dr. Martin Luther King Drive, Little Rock, AR 72206.
3. Hardy Funeral Home (“Hardy”) was previously issued a permit in the State of Arkansas to sell and maintain prepaid funeral benefits under Ark. Code Ann. § 23-40-109,

however, Respondent did not submit the renewal application packet prior to the June 1, 2013 renewal date.

4. Several notices of the expiration of Hardy's license were sent out by the Department's Prepaid Funeral Benefits Section.

5. Hardy has also failed to timely file five (5) out of the last seven (7) quarterly reports for the calendar years 2012 and 2013.

6. Respondent appeared at the hearing and offered testimony regarding his late renewal of the prepaid funeral benefits permit, the late quarterly filings, and the factual and circumstantial reasons for the tardiness. Respondent has taken full responsibility for his actions and was cooperative during the hearing.

#### **CONCLUSIONS OF LAW**

7. Each licensed prepaid funeral benefits company is required to file its application for renewal prior to June 1st of each year pursuant to Ark. Code Ann. § 23-40-110(c). Respondent's failure to timely renew the permit is a violation of Ark. Code Ann. § 23-40-110(c).

8. Even if the sale of prepaid funeral benefits has been discontinued, a current license is still required if the funeral home has outstanding contracts pursuant to Ark. Code Ann. § 23-40-110(b). As Hardy has outstanding contracts, a current license is required at all times. The failure to maintain a current license is a violation of Ark. Code Ann. § 23-40-110(b).

9. Hardy is required to file its quarterly per-contract fee forms no later than forty-five (45) days after each quarter pursuant to Ark. Code Ann. § 23-40-119(d)(B) and (C). The Company's failure to timely file quarterly reports for the calendar years 2012 and 2013 constitutes violations of Ark. Code Ann. § 23-40-119(d)(B) and (C).

**RECOMMENDATION OF HEARING OFFICER**

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

A. The Prepaid Funeral Benefits Permit issued to Hardy Funeral Home shall be, and hereby is, placed on probation for a period of four (4) years from the date of this Order pursuant to Ark. Code Ann. § 23-64-40-111. Any failure to comply with the provisions of this order or the Arkansas Insurance Code, or the receipt of complaints against the Respondent or Respondent's Funeral Home, during the period of probation may result in the suspension or revocation of the Prepaid Funeral Benefits Permit.

B. In strict accordance with Ark. Code Ann. § 23-64-119(e)(1), any failure to timely report and pay any administrative and financial regulations fees to the Department may be subject to a penalty of one hundred dollars (\$100) per day for each day of delinquency, payable to the fund.

C. Respondent will compile a written Business Plan which details Respondent's plan to implement any business changes necessary to make timely filings and renewals with the Department going forward, including what procedures will be put in place to ensure compliance. Respondent must provide a copy of such Business Plan to the Department within sixty (60) days of this Order.

  
**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 Recommendation in full, as set forth herein.

THEREFORE, it is hereby ORDERED that the Prepaid Funeral Benefits Permit issued to Respondent Charles Hardy Jr., for Hardy Funeral Home is placed on probation for a period of four (4) years and that Respondent is required to comply with the requirements in this Order

IT IS SO ORDERED THIS 8<sup>th</sup> day of OCTOBER, 2013.

  
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**JAY BRADFORD**  
**INSURANCE COMMISSIONER**  
**STATE OF ARKANSAS**