

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF:

AID ORDER NO. 2015-082

SHALONDA TIDWELL, NPN 7950789 AND
RIGHT CHOICE PLUS INSURANCE AGENCY, NPN 17069180
RESPONDENTS

REVOCATION ORDER

On this day, the matter of the producer's licenses of Shalonda Tidwell and Right Choice Plus Insurance Agency ("Respondents") came before Allen Kerr, Arkansas Insurance Commissioner ("Commissioner"). A hearing was held on October 22, 2015, in the First Floor Hearing Room of the Arkansas Insurance Department ("Department") pursuant to the Notice of Hearing dated October 2, 2015. 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. Shalonda Tidwell and Right Choice Plus were represented by Lawrence Walker, Attorney at Law.

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. Respondents received notice of hearing and Shalonda Tidwell was present at the hearing.

3. Respondent, Shalonda Tidwell, owns Right Choice Plus Insurance Agency, LLC., located in Little Rock, Arkansas.

4. Respondent Tidwell resides in North Little Rock, Arkansas.

5. On March 23, 2015, the Arkansas Insurance Division received a consumer complaint from Ms. Tina Washington. In the complaint, Mrs. Washington stated that she paid Tidwell and Right Choice Plus for a homeowner's policy and a life insurance policy. She never received copies of the policies and Tidwell would not respond to her calls.

6. The following evidence was admitted into the record and considered by the hearing officer: (1) Designation of the hearing officer, (2) Notice of hearing and receipt of delivery, (3) Original complaint, (4) Application for Homeowner's coverage, (5) Documentation from Appalachian Underwriter, (6) Information from Appalachian Underwriters, (7) Copy of letter showing Ms. Washington's money was returned, (8) Transcript of August 20, 2015 Investigative Conference, (9) Email sent to Ms. Tidwell requesting documents, (10) Letters from carriers, (11) 2012 Bankruptcy, (12) 2014 Renewal, (13) 2015 Bankruptcy, (14) NIPR report, (15) 2015 Bankruptcy dismissal.

7. Tina Washington testified at the hearing and her testimony is summarized as follows:

- a. On December 4, 2014, Mrs. Washington gave Tidwell and Right Choice Plus \$520.00 for a homeowner's policy and a \$40.00 for a \$200,000 term life insurance policy on her husband's life. Washington believed she had

bound coverage on that day for both a homeowner's policy as well as life insurance. Tidwell did not inquire as to the condition of the home or discuss with Washington whether photos needed to be taken. At the time payment was made, Tidwell did not tell Washington any further information was needed to have a policy issued. Washington asked Tidwell "So I'm covered?" to which Tidwell responded "Yes." Tidwell told Washington the policies would be sent in the mail in five to seven days. Washington left Right Choice Plus Insurance believing she had bound coverage and that she would soon receive the policies.

- b. After paying Respondents \$560.00 for the insurance, Washington never received the policies. She said she followed up with Tidwell and made several calls and went to the office several times but Tidwell would not respond. In early January 2015, Washington said there was a leak in her bathroom. She did not have the tools to shut off the water main. The house flooded for forty-five minutes until a neighbor helped her shut the water off. Washington called Tidwell to report the loss. Washington said Tidwell told her "Well, I'm going to get back with you," but never did.
- c. Washington said she eventually was able to meet with Tidwell at Right Choice Plus in February of 2015. Tidwell wanted Washington to complete a second homeowner's application. Tidwell did not tell Washington her first policy had been denied or that the application had lapsed. Washington signed a second homeowner's policy application. Tidwell

asked Washington to send her some photos of the flood damage. Tidwell told Washington "[y]ou're covered." Washington never received a policy. Washington asked for a refund and Tidwell sent a check for the \$560.00 in March of 2015.

8 Shalonda Tidwell testified at the hearing and her testimony is summarized as follows:

- a. Tidwell has been a licensed producer in Arkansas since 2007. She is licensed to sell property, casualty, life, and health. She is the owner of Right Choice Plus Insurance Agency. She met with Tina Washington on December 4, 2014, and took \$560.00 from her. The \$520.00 was for a homeowner's policy and \$40.00 was for a life insurance policy. After she took the money from Washington, she later found out that she had been blocked from doing new business with Appalachian. Tidwell admitted that she knew at least as of December 17, 2014, that she could not place new business with Appalachian. She said Washington was on the phone with her when Appalachian told her she could not place new business. Tidwell stated Washington was told in this phone call that she did not have a homeowner's policy. She was given authority to submit new application with Appalachian in February of 2015. Tidwell had Washington sign a second application.
- b. Tidwell testified she tried to get insurance for Tidwell from other companies. She applied through Foremost, but Washington was denied

due to her credit. She obtained a quote for Washington through MetLife as well as Safeco. Tidwell testified that she does not keep separate records of quotes that she gives to customers unless she binds coverage. Tidwell testified she did not keep copies of Washington's declinations.

- c. Tidwell has filed for bankruptcy two times. The first bankruptcy she filed was in 2012. Tidwell did not report her bankruptcy to the Arkansas Insurance Department at the time it was filed. When Tidwell filed her insurance producer renewal in December of 2014 she checked "no" on the form that asks if the producer has filed for bankruptcy since the last renewal. Tidwell filed her second bankruptcy in March of 2015. She did not report this bankruptcy to the Department within thirty days. Her 2015 bankruptcy was voluntarily dismissed on July 21, 2015.

9. Arkansas Insurance Department investigator Marjorie Farmer testified. Her testimony is summarized as follows:

- a. Farmer was assigned as the investigator for a complaint filed by Tina Washington. Farmer had an informal conference with Tidwell and her attorney. At the conference, Tidwell told Farmer that she had requested quotes on behalf of Washington from Foremost, Metlife, and Safeco. Farmer asked Tidwell to provide the Department with several documents showing she had requested these quotes. Tidwell never provided the documents as she had agreed to do. Farmer contacted several companies Tidwell claimed to have received homeowners' quotes from for Mrs.

Washington. Farmer received responses from Foremost, Metlife, Safeco all stating that Tidwell had never requested a quote from them.

CONCLUSIONS OF LAW

1. Ark. Code Ann. § 23-64-512(a)(4) requires an insurance producer to inform the Arkansas Insurance Department of filing a bankruptcy within thirty days. Tidwell's failure to inform the Department of her 2012 or 2015 bankruptcy filings is therefore a violation of Ark Code Ann. § 23-64-212(a)(4). .

2. Ark. Code Ann. 23-64-512(a)(1) requires a producer to provide accurate information when renewing their license. Tidwell's failure to inform the Department of her 2012 bankruptcy on her 2014 renewal is therefore a violation of Ark. Code Ann. § 23-64-212(a)(4).

3. Ark. Code Ann. § 23-64-201(e) requires Respondents to avoid improperly withholding money or property received in the course of doing insurance business. Respondents' failure to return Washington's money in a timely manner is therefore violation of Ark. Code Ann. § 23-64-201(e).

4. Ark Code Ann. § 23-64-512(a)(8) requires Respondents to avoid using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation, or financial irresponsibility. Respondents' failure to return Washington's money timely, failure to clearly explain that Respondents were barred from selling Appalachian policies, failure to maintain the Appalachian appointment in good standing, and failure to

timely return phone calls is therefore a violation of Ark. Code Ann. § 23-64-512(a)(8).

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:

1. That the Arkansas Insurance Producer's license of Respondent Shalonda Tidwell be revoked;
2. That the Arkansas Insurance Producer's License of Right Choice Plus Insurance Agency, LLC, be revoked.



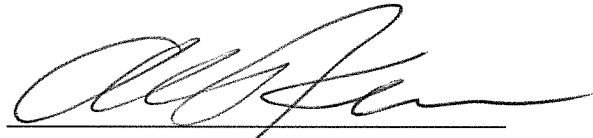
Russ Galbraith
Chief Deputy Commissioner and
Hearing Officer

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 producer's licenses of Shalonda Tidwell and Right Choice Plus are revoked.

IT IS SO ORDERED THIS 17th DAY OF NOVEMBER, 2015.



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS