

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

ARKANSAS INSURANCE DEPARTMENT)
PETITIONER)

VS.)

JEFFREY COX)
RESPONDENT)
NPN 16830597)

A.I.D. NO. 2019- 40

JCI ENTERPRISES, LLC.)
NPN 17684153)

REVOCATION ORDER

On this day, the matter of the producer’s licenses of Jeffrey Cox and JCI Enterprises, LLC. (“Respondents”) came before Allen Kerr, Arkansas Insurance Commissioner (“Commissioner”). A hearing was held on April 16, 2019, in the First Floor Hearing Room of the Arkansas Insurance Department (“Department”) pursuant to the Notice of Hearing dated March 21, 2019. 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. The Respondent, Jeffrey Cox, was present.

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. Respondent and his agency are residents of Oklahoma.
3. Respondent Jeffrey Cox holds an Arkansas non-resident insurance producer license, NPN 16830597.

4. JCI Enterprises, LLC., is an Oklahoma domestic corporation owned and managed by Jeffrey Cox.

5. JCI Enterprises holds an Arkansas non-resident business entity insurance producer license, NPN 17684153.

6. Jeffrey Cox is the Designated Responsible Licensed Producer for JCI Enterprises.

7. Respondents were sent notice of hearing by regular and certified mail to the last known address provided to the Department.

8. In September of 2017, Respondent Jeffrey Cox and his agency, JCI Enterprises, received \$99,515 from a policy holder to procure commercial property and casualty insurance. The policy holder's payment represented the full amount of premium for all of the policy holder's policies for one year. Without the knowledge or permission of the policy holder, Cox submitted an application for a premium financing loan, naming the policy holder as the debtor, in the amount of \$80,022.45. Cox used a portion of the policy holder's \$99,515 he received for business expenses unrelated to the policy holder's insurance policy. Cox directed that all billing for the premium financing loan papers be sent to the agency address, not the policy holder, to ensure the consumer was not made aware of the loan. Cox did not inform the policy holder that he was entering into a premium finance arrangement on his behalf.

9. Cox paid the premium financing agreement debt in full and the policy was never cancelled.

10. Cox's Oklahoma resident insurance producer license, in *State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner v. Jeffrey Wilson Cox*, Case No. 18-0516-DIS, issued November 30, 2018, was ordered to be suspended for a period of ninety days beginning March 2, 2019. The findings in the Oklahoma suspension order are credible and taken as true.

CONCLUSIONS OF LAW

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

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.

2. Ark. Code Ann. § 23-64-512(a)(4) authorizes the Department to revoke an insurance producer's license for “[i]mproperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business.” Respondents' actions were a violation of Ark. Code Ann. § 23-64-512(a)(4).

3. Ark. Code Ann. § 23-64-512(a)(9) authorizes the Department to revoke an insurance producer's license for “[h]aving an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory.” Cox's actions were a violation of Ark. Code Ann. § 23-64-512(a)(9).

4. As authorized by Ark. Code Ann. § 23-64-512(c), the insurance producer license of a business entity may be revoked if the commissioner finds, after hearing, that an individual licensee's violation was known or should have been known by one or more of the partners, officers, or managers acting on behalf of the partnership or corporation and the violation was neither reported to the commissioner nor corrective action taken. Cox was acting on behalf of his agency, JCI Enterprises, and his actions are imputed to the license of the business entity.

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:

That the Arkansas non-resident insurance producer licenses of the Jeffrey Cox and JCI Insurance be revoked.



Russ Galbraith
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, 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 Arkansas non-resident insurance producer licenses of Jeffrey Cox, NPN 16830597 and JCI Enterprises, LLC. NPN 17684153, are revoked.

IT IS SO ORDERED THIS 10th DAY OF June, 2019.



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS