

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

ARKANSAS INSURANCE DEPARTMENT)
PETITIONER)
)
VS.)
)
MARC MORROW)
RESPONDENT)
NPN 7696294)

A.I.D. NO. 2019- 41

REVOCATION ORDER

On this day, the matter of the producer's license of Marc Morrow ("Respondent") came before Allen Kerr, Arkansas Insurance Commissioner ("Commissioner"). A hearing was held on April 11, 2019, in the First Floor Hearing Room of the Arkansas Insurance Department ("Department") pursuant to the Notice of Hearing dated March 25, 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 participated in the hearing by telephone.

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 is a resident of Texas.
3. Respondent holds an Arkansas non-resident producer license, NPN 7696294.
4. Respondent was sent notice of hearing by regular and certified mail to his last known address provided to the Department. In the notice of hearing, the Respondent was accused of the following violations of the Arkansas Insurance Code:

- a. Having an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory as prohibited by Ark. Code Ann. § 23-64-512 (a)(9). Specifically, you have been denied an insurance producer license in Louisiana, California, and Maryland.
- b. Providing incorrect, misleading, incomplete, or materially untrue information in the license application as prohibited by Ark. Code Ann. § 23-64-512(a)(1). Specifically, in conjunction with your 2015 Arkansas non-resident insurance license producer application, you failed to include required background documents including a cease and desist order issued to you by North Carolina in 2008.

5. The Respondent's 2015 Arkansas non-resident insurance license producer application required the Respondent to disclose if he had ever been involved as a party in an administrative proceeding regarding or relating to any professional or occupational license including having a license revoked, being assessed a fine, or a cease and desist order.

6. The Respondent's Ohio non-resident insurance producer license was revoked by Ohio for violations of the Producer Model Licensing Act, in hearing number LGL-0002010-H. The Ohio Superintendent's findings of fact issued in the 2009 order are credible and are adopted and incorporated into this order. Specifically, the Superintendent found that Respondent acted as a general agent and national sale director for the "Association of Franchise and Independent Distributors", operating out of Ohio. North Carolina issued a Cease and Desist Order to Respondent and others for "selling or assisting to sell unauthorized and unlicensed insurance products. The Order outlined a fraudulent scheme that included fake insurance companies, fake labor associations and bogus marketing

materials all designed to evade state insurance laws and produce maximum profits with limited or no coverage to plan participants.” Respondent did not report the North Carolina Cease and Desist action to the Ohio Department within 30 days of a final disposition as required by Ohio Revised Code § 3905.22(A).

7. Respondent failed to disclose the 2009 Ohio revocation order as part of his Arkansas non-resident producer license application in 2015.

8. Respondent failed to disclose a cease and desist order issued by the North Carolina Department of Insurance in 2008 as part of his Arkansas non-resident producer license application in 2015.

9. The findings of fact in the North Carolina Cease and Desist orders are credible and are adopted and incorporated into this order.

10. Respondent was denied an insurance license by California in 2017.

11. Respondent failed to notify the Commissioner that his California license application was denied as required.

12. Respondent was denied an insurance license by Maryland Insurance Commissioner in 2018.

13. Respondent failed to notify the Commissioner that his Maryland insurance producer license application had been denied as required by Ark. Code Ann. § 23-64-512(a).

CONCLUSIONS OF LAW

From the findings of fact contained herein, the Commissioner concludes as follows:

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

2. Ark. Code Ann. § 23-64-512(a)(9) authorizes the Department to revoke an insurance producer's license for failure to report actions of another state's insurance commissioner, including having a license application denied. Respondent failed to timely notify the Commissioner that his insurance producer license application had been denied in California and Maryland. Respondent's actions were a violation of Ark. Code Ann. § 23-64-512(a)(9).

3. Ark. Code Ann. § 23-64-512(a)(1) authorizes the Department to revoke an insurance producer's license for providing incorrect, misleading, incomplete, or materially untrue information in the license application. As part of his 2015 Arkansas non-resident insurance producer application, Respondent was required to disclose (1) if he ever had a license revoked, (2) if he had been named as a party in a cease and desist order related to a professional license. Respondent's actions were a violation of Ark. Code Ann. § 23-64-512(a)(1) in that he failed to disclose he had been named a party as to a cease and desist order issued for failing to have an insurance license in 2009; and, Respondent failed to disclose that his Ohio non-resident insurance produce license was revoked in 2009 when applying for his Arkansas non-resident insurance license producer in 2015.

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 non-resident insurance producer license of the Respondent 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 producer license of Marc Morrow, NPN 7696294, is revoked.

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



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS