

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

**IN THE MATTER OF:**

**ARGONAUT GREAT CENTRAL  
INSURANCE COMPANY**

**CERTIFICATE OF AUTHORITY  
NO. 1306**

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**A.I.D. NO. 2019 - 72**

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**CONSENT ORDER**

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On this day, the matter of Argonaut Great Central Insurance Company (“Company”) came before Allen Kerr, Arkansas Insurance Commissioner (“Commissioner”). The Arkansas Insurance Department (“Department”) is represented by Melissa Grisham, Associate Counsel, in this matter. From the facts and law before him, the Commissioner finds as follows:

**GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order is subject to the Commissioner’s acceptance and has no force or effect until such acceptance is evidenced by the entry of the Commissioner.
2. By the signature affixed below, Company affirmatively states that the entry of this Consent Order has been freely entered, and that no threats or promises of any kind have been made by the Commissioner, the Department, or any agent or representative thereof.
3. The parties state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein have been made, other than the terms of settlement set forth herein.

## FINDINGS OF FACT

1. The Arkansas Online Insurance Verification System (“AOIVS”) became effective on January 1, 2019.

2. Ark. Code Ann. § 23-27-203(a)(1) states, “The Department of Finance and Administration shall establish an advisory group consisting of representatives of the State Insurance Department, insurance companies, the Department of Arkansas State Police, and other agencies or entities to: Facilitate the implementation of the online insurance verification system.”

3. On July 2, 2019, the Department issued Bulletin 5-2019 titled Arkansas Online Insurance Verification System (AOIVS) Participation Requirement and Implementation Guide Availability. This bulletin institutes deadlines insurance companies must adhere to in order to remain in compliance with AOIVS.

4. More specifically, participating insurers are required to register on the AOIVS website no later than August 16, 2019. Once registered, insurers are required to submit a test book of business file to AOIVS and begin web services testing no later than October 1, 2019.

5. On August 26, 2019, the Arkansas Department of Finance and Administration notified the Department that the Company did not register on the AOIVS website.

6. On September 3, 2019, the Department advised the Company that it was out of compliance with Ark. Code Ann. § 27-22-201, et seq. The Department also requested proof that the Company registered with AOIVS by September 24, 2019. Additionally, the Department requested a Corrective Action Plan to ensure complete compliance with Ark. Code Ann. § 27-22-201, et seq. in the future.

7. The Company failed to respond to the Department's inquiry by the deadline of September 24, 2019.

8. The Department contacted the Company on September 26, 2019, requesting a response by September 27, 2019.

9. On September 27, 2019, the Company advised the Department that a test policy would be submitted that day. The Department requested proof upon submission of the test policy.

10. On October 1, 2019, the Company provided the Department with a screenshot of the initiation of an export process. No additional information was provided.

11. On October 7, 2019, the Department of Finance and Administration notified the Department that the Company had not yet completed the registration process with AOIVS. The Department was advised that a test policy is not able to be submitted until the Company registers with AOIVS.

12. On October 7, 2019, the Department advised the Company that registration with AOIVS was still incomplete and requested a response with proof of registration by October 8, 2019, at 12:00 p.m.

13. The Company failed to respond to the Department by the deadline.

14. On October 9, 2019, the Company notified the Department that after a conversation with AOIVS Help Desk, the Company determined it is not required to register with AOIVS because its Commercial Automobile Liability premium as of October 1, 2019 is \$0.00 and its total number of vehicles insured as of October 1, 2019 is 0.

**CONCLUSIONS OF LAW**

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.
2. Pursuant to Arkansas Insurance Department Rule 43, § 7(b), every insurer upon receipt of any inquiry from the Arkansas Insurance Department shall within fifteen (15) working days of such inquiry furnish the Department with a reasonably adequate response to the inquiry.
3. Pursuant to Ark. Code. Ann. § 23-60-108, a violation of a statute or regulation enforceable by the Insurance Commissioner is punishable by the refusal, suspension, revocation or nonrenewal of a license or certificate of authority; and a fine no greater than one thousand dollars (\$1,000) per violation, not to exceed fifty thousand dollars (\$50,000) in any six-month period.
4. The Department assessed a monetary penalty in the amount of \$2,000.00.

**IT IS HEREBY ORDERED AND JOINTLY AGREED that:**

1. In consideration of the Commissioner’s Findings of Fact and Conclusions of Law, the Company shall pay a monetary penalty in the amount of \$2,000.00.
2. The monetary penalty is to be received by the Department no later than ten (10) days after filing of this Consent Order.

**IT IS SO ORDERED THIS 22<sup>nd</sup> day of October, 2019.**



**ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS**



**ARGONAUT GREAT CENTRAL INSURANCE COMPANY**