

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE  
FOR THE STATE OF TENNESSEE**

**IN THE MATTER OF:** )  
 ) **No.: 12.01-092610J**  
**PHILLIP ARTHUR PARIMORE,** )  
**Respondent.** )

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**AGREED ORDER**

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**WHEREAS,** Respondent, Phillip Arthur Parimore, hereby stipulates and agrees, subject to the approval of the Commissioner of Commerce and Insurance (hereinafter referred to as the "Commissioner") as follows:

**GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.
2. This Consent Order is executed by the Respondent for the purpose of avoiding further administrative action and penalties with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of this matter or any administrative proceedings.
3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Consent Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed. Respondent further understands that the acts or omissions addressed in this Consent Order may be used by the Commissioner in denying any application for

insurance producer license in which the Respondent may submit in the future.

4. Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

#### FINDINGS OF FACT

5. The Tennessee Insurance Law, as amended, Tenn. Code Ann. § 56-1-101, *et seq.* (hereinafter referred to as the "Law"), places the responsibility for the administration of the Law on the Commissioner. The Insurance Division of the Department of Commerce and Insurance (hereinafter referred to as the "Division") is the lawful agent through which the Commissioner discharges this responsibility.

6. The Respondent Phillip Arthur Parimore (hereinafter referred to as the "Respondent"), is a citizen of Tennessee and resident of Cordova, with his mailing address being 7482 Cordova Club Drive, Cordova, Tennessee 38018 and, at all times relevant to the events herein, has been licensed by the Division to sell insurance in this state as an agent producer, having obtained said license, numbered 711177, in 1990.

#### INDIANA

7. On or around September 7, 2005, Findings of Fact, Conclusions of Law and Recommended Order was entered in the matter of Phil Arthur Parimore by Administrative Law Judge John Gulyas (hereinafter referred to as "Administrative Judge") before the Indiana Commissioner of Insurance.

8. The Administrative Judge concluded that the Respondent engaged in fraudulent and dishonest practices and demonstrated untrustworthiness in the conduct of business in Indiana by

representing that the Church Plan was a fully funded insurance plan when in fact the Church Plan was a self insured plan in violation of Indiana Code § 27-1-15.6-12(b)(8).

9. The Administrative Judge concluded that Respondent misrepresented the terms of a policy issued and thus committed an unfair and deceptive act and practice in the business of insurance in violation of Indiana Code § 27-4-1-4(1)(A) by representing that the Church Plan was a fully funded insurance plan when in fact the Church Plan was a self insured plan.

10. The Administrative Judge concluded that the Respondent violated Indiana Code § 27-1-15.6-17 by failing to inform the Indiana Department of an Alabama Order to Cease and Desist within thirty (30) days of that order being entered.

11. On or around October 19, 2005, the Commissioner of the Department of Insurance for the State of Indiana (hereinafter referred to as "Indiana Commissioner") entered a Final Order revoking the insurance agent license of the Respondent number 428775.

12. In the Order revoking the Respondent's license, the Indiana Commissioner made the finding that the Respondent failed to comply with an Administrative Law Judge's Recommended Order within the appropriate time.

13. In addition to Respondent's license being revoked, the Indiana Commissioner also ordered the Respondent to pay a Twenty-Five Thousand Dollar (\$25,000) fine and restitution in the amount of Seventy-Nine Thousand, Three Hundred Fifty-Nine Dollars and ninety-eight cents (\$79,359.98) payable to the Free Methodist Church of North America.

14. The Respondent did not notify the Commissioner of the Indiana Commissioner's action until January 26, 2006.

#### KANSAS

15. On January 24, 2006, the Kansas Insurance Department (hereinafter referred to as

“Kansas Department”) sent a letter to Respondent requesting a copy of the order entered by the Indiana Department. Respondent failed to respond to this request.

16. On February 14, 2006, the Kansas Department again wrote to the Respondent requesting information. Respondent failed to respond to this request.

17. On March 22, 2006, the Kansas Department found that the Respondent failed to report the Indiana Order as required by Kansas law and that the Respondent demonstrated irresponsibility in the conduct of business. The Respondent’s license was revoked.

18. The Respondent did not notify the Commissioner of the Kansas Department’s action.

#### **OHIO**

19. On March 30, 2006, Respondent’s license was revoked by the Ohio Superintendent of Insurance due to the Indiana action.

20. The Respondent did not inform the Commissioner of Ohio’s revocation.

#### **MISSISSIPPI**

21. On April 3, 2006, the Mississippi Commissioner of Insurance (hereinafter referred to as “Mississippi Commissioner”), nonrenewed Respondent’s license after conducting a hearing on the matter. The Mississippi Commissioner also assessed a civil penalty of Two Thousand, Five Hundred Dollars (\$2500.00).

22. The Mississippi Commissioner found that Respondent used fraudulent, coercive or dishonest practices or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business.

22. The Respondent did not notify the Commissioner of the Mississippi Commissioner’s action.

## CONCLUSIONS OF LAW

23. Tenn. Code Ann. § 56-6-112(a)(2) states, in pertinent part, that the commissioner may place on probation, suspend, revoke, or refuse to issue or renew any license under this part if she finds that one holding an insurance producer license has violated any law, rule, regulation, subpoena or order of the commissioner or another state's commissioner.

24. Tenn. Code Ann. § 56-6-119 requires a producer to report to the commissioner any administrative action taken against the producer in another state within thirty (30) days of the final disposition of the matter.

25. Based upon the Findings of Fact cited above, the Commissioner concludes that the actions of the Respondent were in violation of Tenn. Code Ann. § 56-6-123(a)(2), and provides grounds for the imposition of sanctions set forth under such section.

26. The Respondent admits to the Findings of Fact cited above and concedes that the Conclusions of Law made by the Commissioner are fair and reasonable.

## ORDER

**NOW THEREFORE**, on the basis of the foregoing, and the waiver of the Respondent of his rights to a hearing and appeal under Tennessee Insurance Law and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101, *et seq.*, and the admission by the Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has consented to the entry of this Order and that the following Order is appropriate, and in the public interest.

**IT IS ORDERED**, pursuant to Tenn. Code Ann. § 56-6-112(a) of the Tennessee Insurance Law that:

The insurance producer license, numbered number 711177 issued to Phillip Arthur Parimore, is hereby **REVOKED**.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By his signature affixed below, Phillip Arthur Parimore, affirmatively states that he has freely agreed to the entry of this Consent Order, that he has been advised that he may consult legal counsel in this matter, and has had the opportunity to consult with legal counsel, that he waives his right to a hearing on the matters underlying this Consent Order and to any review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively 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, other than the terms of settlement set forth in this Consent Order, are binding upon them.

**SO ORDERED.**

Entered this the 5<sup>th</sup> day of March, 2007.

Leslie A. Newman  
Leslie A. Newman, Commissioner  
Department of Commerce and Insurance

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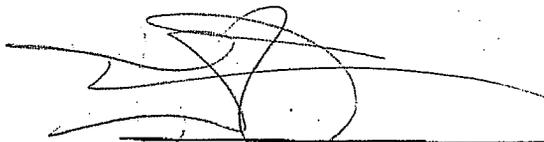
Leslie Shechter Newman, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY:**



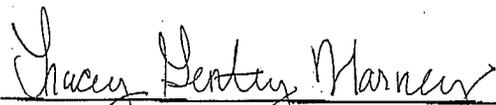
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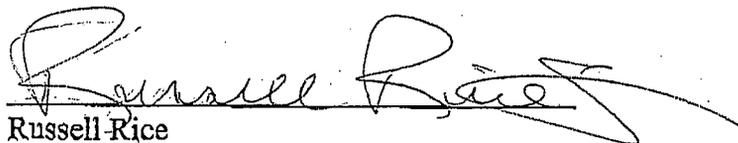
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Phillip Arthur Parimore  
Respondent



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