0708683

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

TENNESSEE INSURANCE DIVISION,	)	
	)	
Petitioner,	)	
	)	
vs.	)	No.: 12.01-090200J
	)	
JEFFREY BRYAN COX,	)	
	)	
Respondent.	)	

AGREED ORDER

WHEREAS the Insurance Division of the Department of Commerce and Insurance of the State of Tennessee (hereinafter referred to as the "Division"), by and through counsel, and Respondent, Jeffrey Bryan Cox (hereinafter referred to as the "Respondent") hereby stipulate and agree, 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 Agreed 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. The Commissioner has determined that the resolution set forth in this Agreed Order is fair and reasonable and in the best public interest.

3. This Agreed Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Agreed Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this

Agreed Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

4. Respondent fully understands that this Agreed Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Agreed Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed. Respondent also understands that this Agreed Order may be used by the Commissioner or any Department, Board, or Commission to revoke or refuse to issue any license the Respondent currently holds or for which he applies in the future.

5. 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 Agreed Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Agreed Order by the Commissioner.

FINDINGS OF FACT

6. The Commissioner has jurisdiction pursuant to the Tennessee Insurance Law (hereinafter referred to as the "Law"), Tennessee Code Annotated, Title 56, and the Law places the responsibility for administration of its provisions on the Commissioner.

7. The Division is the lawful agent through which the Commissioner administers the Law and is authorized to bring this action for the protection of the public.

8. The Respondent is a citizen and resident of the State of Tennessee, residing at 848 Fairview Road, Harriman, Tennessee 37748.

9. The Respondent has an insurance producer's license, numbered 708683, issued December 8, 1989.

10. On or about December 8, 2004, Respondent received from Mortgage Investors Group of Nashville, Tennessee a premium payment for a worker's compensation insurance policy in the amount of ten thousand one hundred thirty-two dollars and seven cents ($10,132.07). Respondent failed to forward the premium to Farmers Insurance Group, Inc., as he represented to Mortgage Investors Group that he would. The worker's compensation insurance policy was cancelled for non-payment of premium in January 2005. Farmers Insurance Group, Inc. subsequently learned of the payment by Mortgage Investors Group and reinstated the worker's compensation insurance policy without lapse in coverage.

11. On or about July 14, 2005, Farmers Insurance Group, Inc. made a demand of Respondent for overdue moneys improperly withheld and misappropriated by Respondent in the course of his insurance business.

12. On or about July 14, 2005, Respondent wrote to Farmers Insurance Group, Inc. a check in the amount of five thousand sixty-six dollars ($5,066.00) in payment to Farmers Insurance Group of premium he received from Mortgage Investors Group for worker's compensation insurance, and said check was returned by Citizens First Bank of Oliver Springs, Tennessee to Farmers Insurance Group, Inc. due to insufficient funds in the account of Respondent.

13. On August 31, 2005, Respondent's appointment as a producer for Farmers Insurance Group, Inc. was terminated due to his misappropriation of premium.

14. On or about December 2, 2005, Respondent incorrectly and falsely stated to the Division in the renewal application for his insurance producer license that no demand had been made against him for overdue monies by an insurer or insured since his last renewal.

CONCLUSIONS OF LAW

15. Tenn. Code Ann. § 56-6-112(a)(8) provides, in pertinent part, that the Commissioner may revoke a license issued under this part, or may levy a civil penalty in accordance with subsection (e), or take any combination of such actions, if she finds that a licensee has demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

16. Based upon the Findings of Fact cited above, the Commissioner finds that Respondent demonstrated incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in this state when he failed to forward premium payments to the insurance company and failed to maintain sufficient funds in his business account to cover expenses owed. Such facts constitute grounds for an order revoking Respondent's license pursuant to Tenn. Code Ann. § 56-6-112(a)(8) and assessing civil penalties in accordance with Tenn. Code Ann. § 56-6-112(e).

17. Tenn. Code Ann. § 56-6-112(a)(4) provides, in pertinent part, that Commissioner may revoke a license issued under this part, or may levy a civil penalty in accordance with subsection (e), or take any combination of such actions, if she finds that a licensee has improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business.

18. Based upon the Findings of Fact cited above, the Commissioner finds that Respondent improperly withheld, misappropriated, and converted money he received in the course of doing insurance business when he failed to forward premium payments to the insurance company, and that such facts demonstrate grounds for an order revoking the

Respondent's license in accordance with Tenn. Code Ann. § 56-6-112(a)(4) and assessing civil penalties in accordance with Tenn. Code Ann. § 56-6-112(e).

19. Tenn. Code Ann. § 56-6-112(a)(1) provides, in pertinent part, that Commissioner may revoke a license issued under this part, or may levy a civil penalty in accordance with subsection (e), or take any combination of such actions, if she finds that a licensee has provided incorrect, misleading, incomplete or materially untrue information in the license application, and such facts demonstrate grounds for an order revoking Respondent's license in accordance with Tenn. Code Ann. § 56-6-112(a)(1) and assessing civil penalties in accordance with Tenn. Code Ann. § 56-6-112(e).

20. Based upon the Findings of Fact cited above, the Commissioner finds that Respondent misrepresented in his license renewal application that no insurer had made demand on him for overdue moneys since the time of his last renewal. Such facts demonstrate grounds for an order revoking the Respondent's license in accordance with Tenn. Code Ann. § 56-6-112(a)(1) and assessing civil penalties in accordance with Tenn. Code Ann. § 56-6-112(e).

ORDER

NOW THEREFORE, on the basis of the foregoing and the waiver of the Respondent of his rights to a hearing and appeal under the Law and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 54-5-101 *et seq.*, and the admission by the Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has agreed to the entry of this Order and that this Order is appropriate and in the public interest.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 56-6-112 that:

1. The insurance producer license, numbered 708683 issued to Respondent, Jeffery Bryan Cox, is hereby **REVOKED**, and

2. Respondent shall pay to the Commissioner a **CIVIL PENALTY** in the amount of **One Thousand Five Hundred Dollars ($1,500)** for the violations described herein. Said amount is to be paid within thirty (30) days of the entry of this Order.

This Agreed 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 the signature affixed below, Jeffrey Bryan Cox, affirmatively states that he has freely agreed to the entry of this Agreed 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 Agreed Order, 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 Agreed Order, affirmatively state their agreement to be bound by the terms of this Agreed Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Agreed Order, are binding upon them.

SO ORDERED.

ENTERED this the 7th day of September, 2006.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

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