

BEFORE THE ARKANSAS INSURANCE DEPARTMENT

ARKANSAS INSURANCE DEPARTMENT

PETITIONER

v.

Case No. 162184

KELSEY HEDRICK  
APPLICANT FOR RESIDENT  
PRODUCER LICENSE

RESPONDENT

AID Order No. 2024- 89

ORDER DENYING APPLICATION FOR PRODUCER LICENSE

On this day, the matter of the application of Kelsey Hedrick (“Respondent”) for an insurance producer license came before Alan McClain, Arkansas Insurance Commissioner (“Commissioner”). A hearing was held on October 1, 2024 at 10:00 a.m. in the Diamond Mine Room of the Arkansas Department of Commerce Building. The Arkansas Insurance Department (“Department”) held the hearing pursuant to the request of the Respondent and pursuant to the Notice of Public Hearing dated September 4, 2024. Chief Deputy Insurance Commissioner Russ Galbraith was designated as the Hearing Officer pursuant to his appointment as such in accordance with Ark. Code Ann. 23-61-103(e)(1). The Department was represented by Amanda Gibson, Managing Attorney. The Respondent appeared, and she was not represented by counsel.

**FINDINGS OF FACT**

1. Respondent Kelsey Hedrick applied for a resident insurance producer license on June 27, 2024.

2. The Department denied Respondent's application for a producer license on July 30, 2024 because the Respondent fraudulently altered an email from the Department, and then sent the email to the Arizona DOI.
3. The background facts are as follows:
  - a. On December 11, 2015, Peggy Dunlap, Manager of the Department's License Division, sent the Respondent a screen shot of Respondent's address in Arizona that showed a "performed date" of December 18, 2014. The "performed date" is the date that Respondent's license was converted in Arkansas, from a resident Arkansas license to a nonresident license. This occurred because Respondent had moved to Arizona.
  - b. Respondent subsequently forwarded the December 11, 2015 email to the Arizona DOI that same day.
  - c. Prior to forwarding the December 11, 2015 email to the Arizona DOI, Respondent changed the "performed date" from December 18, 2014 to November 18, 2015 so that it appeared that the date Respondent moved to Arizona was November 18, 2015. This email was marked Exhibit 7, on page 28 of the exhibit packet.
4. Respondent timely requested a hearing on the denial of her application.
5. At the hearing, Respondent admitted she moved to Arizona in 2014.
6. Respondent also testified at the hearing that she did not read the emails from the Department; that she simply forwarded Ms. Dunlap's emails to the Arizona DOI.

7. Also at the hearing, there was a question pertaining to the authenticity of the email that was altered.

8. The Hearing Officer left the record open so that the Department could submit additional evidence proving the authenticity of the email.

9. On October 1, 2024 at 11:52 a.m., Ms. Dunlap provided an email to the Hearing Officer proving the email sent by the Respondent to the Arizona DOI had been altered. That email has been marked as Exhibit 9 and is part of the record.

### CONCLUSIONS OF LAW

1. Ark. Code Ann. § 23-60-101, *et. seq.*, assigns the responsibility for administration of the Arkansas Insurance Code to the Arkansas Insurance Commissioner. The Department is the lawful agency through which the Commissioner administers the Arkansas Insurance Code, and he is authorized to bring this action for the protection of Arkansas consumers.

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

3. The Arkansas Producer Licensing Model Act, codified at Ark. Code Ann. § 23-64-501 *et. seq.*, governs the issuance of insurance producer licenses to applicants.

4. Ark. Code Ann. § 23-64-512(b) authorizes the Commissioner to deny an application for a license and requires him to notify the applicant in writing of the reason for the denial. That subsection further allows the applicant to request a hearing on the denial within thirty (30) days of the denial.

5. Ark. Code Ann. § 23-64-512(a)(1) allows the Commissioner to “...refuse to issue... an insurance producer’s license...for any one (1) or more of the following causes...(8) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation, or financial responsibility”.

6. Respondent’s actions as described in Findings of Fact 2, 3.b, and 3.c are in violation of Ark. Code Ann. § 23-64-512(a)(8) in that she demonstrated fraudulent, coercive, or dishonest practices as well as untrustworthiness and lack of good personal reputation when she fraudulently altered an email from the Department and sent to the Arizona DOI.

7. Respondent’s actions as described in Finding of Fact 6 call into question her credibility when she testified that she did not read the emails and simply forwarded them to the Arizona DOI. The reason this testimony calls into question the Respondent’s credibility, is that the Department proved with Exhibit 9 that the email had been altered. Respondent demonstrated untrustworthiness and lack of good personal reputation when she testified that she did not read the Department email before forwarding it to the Arizona DOI. Therefore, Respondent should not be issued a producer’s license as Ark. Code Ann. § 23-64-512(a)(8) authorizes the Commissioner to refuse to issue an insurance producer license when the applicant has demonstrated untrustworthiness and lack of good personal reputation.

**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 that the Arkansas resident producer license application submitted by Kelsey Hedrick be DENIED.



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Russ Galbraith  
Hearing Officer

**CERTIFICATION**

I, Alan McClain, 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 resident insurance producer license application submitted by Kelsey Hedrick is denied.

IT IS SO ORDERED THIS 9<sup>th</sup> DAY OF OCTOBER, 2024.

  
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Alan McClain  
Insurance Commissioner  
State of Arkansas