

BEFORE THE ARKANSAS INSURANCE DEPARTMENT

ARKANSAS INSURANCE DEPARTMENT

PETITIONER

v.

Case No. 158081

ENRICO SHERMAN
NPN 19165516, and
THE SHERMAN AGENCY

RESPONDENTS

AID ORDER NO. 2024- 88

ORDER

On this date, the matter of the resident insurance producer license of Enrico Sherman (“Respondent”) came before Alan McClain, Arkansas Insurance Commissioner (“Commissioner”). A hearing was held at 10:00 a.m. on September 26, 2024, in the Diamond Mine Hearing Room on the 2nd floor of the Department of Commerce Building. The hearing was held pursuant to the Notice of Public Hearing dated August 27, 2024. The hearing was held before Sara Farris, Associate Counsel (“Hearing Officer”) pursuant to her appointment as such by the Commissioner in accordance with Ark. Code Ann. § 23-61-103(e)(1). The Arkansas Insurance Department (“Department”) was represented by Amanda Gibson, Managing Attorney. The Respondent appeared and was not represented by counsel.

FINDINGS OF FACT

1. Respondent Enrico Sherman holds an Arkansas resident insurance producer license, National Producer Number 19165516, and is a resident of Lonoke. Specifically, Respondent holds a limited lines funeral expense license.

2. Respondent Sherman testified that the Sherman Agency has been in operation since approximately August 2020.
3. Respondent Agency is not now, nor has it ever been, licensed as an insurance agency.
4. During the course of the investigation, Respondent Sherman was told by the Department to license the agency by July 17, 2024.
5. The Department also instructed him to send in a written response by July 17, 2024.
6. Respondent failed to respond by the deadline.
7. Respondents were ordered to cease and desist from holding out as a licensed insurance agency in AID Order No. 2024-81.

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. Ark. Code Ann. § 23-64-512(a) allows the Commissioner to “place on probation, suspend, revoke, or refuse to issue or renew an insurance producer’s license or may levy a civil penalty in accordance with § 23-64-216 or any combination of actions for any one (1) or more of the following causes...(2) violating any of the following that calls into

question the insurance producer's fitness to hold a license: (A) a law...(8) using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation, or financial irresponsibility...(17) failing to cooperate with the commissioner in an investigation when required by the commissioner".

4. Ark. Code Ann. § 23-64-216(a) authorizes the Commissioner to suspend or revoke any license for any one of these reasons: "(1) in the case of an insurance producer or broker licensed as an insurance producer, for any of the causes under § 23-64-512...(2)(H) using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere..."

5. Ark. Code Ann. § 23-64-506(b) requires a business entity acting as an insurance producer to obtain an insurance producer license. Respondents' conduct as described in Findings of Fact 2 and 3, constitutes a violation of this statute in that they have been operating an unlicensed insurance agency.

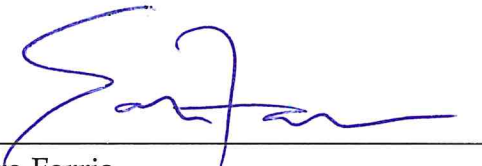
6. Respondent Sherman's conduct as described in Findings of Fact 4 through 6 constitute a violation of Ark. Code Ann. § 23-64-512(a)(17) in that he refused to cooperate in the Department's investigation.

7. Respondent Sherman's conduct as described in Findings of Fact 2 through 6 constitute a violation of Ark. Code Ann. § 23-64-512(a)(2) and (a)(8) in that he has violated Ark. Code Ann. § 23-64-503(b) and that he has demonstrated fraudulent, coercive, or

dishonest practices, untrustworthiness, and lack of good personal and business 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 Respondent Sherman's insurance produce license should be REVOKED, and further, that the Cease and Desist Order, AID Order Number 2024-81 shall remain in effect.



Sara Farris
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 Sara Farris, 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, the resident producer license of Respondent Enrico Sherman is hereby REVOKED. Further, the Cease and Desist Order, AID Order Number 2024-81 shall remain in effect.

IT IS SO ORDERED THIS 26th DAY OF SEPTEMBER, 2024.



ALAN MCCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS