TN-0892279
NPN-7732354

STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE INSURANCE DIVISION, **Petitioner.**	)	
	)	**TID No.: 14-185**
vs.	)	
LINDA JANE MURRELLE, **Respondent.**	)	

CONSENT ORDER

The Tennessee Insurance Division of the Department of Commerce and Insurance ("Division") and Linda Jane Murrelle ("Respondent") hereby stipulate and agree to the entry of this Consent Order subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance ("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 an order by the Commissioner.

2. This Consent Order is executed by Respondent for the purpose of avoiding further administrative action 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 these proceedings.

3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against 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.

4. Respondent fully understands that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner for violations of the law addressed specifically in this Consent Order, against Respondent for violations of law under statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the execution of this Consent Order by Respondent.

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

AUTHORITY AND JURISDICTION

6. The Commissioner has jurisdiction over this matter pursuant to the Tennessee Insurance Law ("Law"), Title 56 of the Tennessee Code Annotated ("Tenn. Code Ann."), specifically, Tenn. Code Ann. §§ 56-1-101, 56-1-202, and 56-6-112. The Law places on the Commissioner the responsibility of the administration of its provisions.

PARTIES

7. The Commissioner of the Department of Commerce and Insurance for the State of Tennessee has jurisdiction in this matter.

8. 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 people.

9. Respondent has been a licensee of the Division since on or about June 27, 2003. She presently holds Tennessee insurance producer license number 0892279.

10. Upon information and belief, Respondent is a Tennessee resident, residing at 9189 Myrel Road, Millington, Tennessee 38157.

11. Prior to the allegations presented to the Division on or about June 2013, Respondent has not been the subject of any disciplinary action in the State of Tennessee.

FINDINGS OF FACT

12. From on or about 2007 through on or about 2013, Respondent worked at Pitts-Boyd Insurance under the supervision of Mr. James Hallam Boyd, III ("Boyd").

13. During the 2007-2013 time frame, with assistance from Respondent, Boyd perpetuated insurance fraud by submitting altered International Placement Services ("IPS") proposals/invoices to Hardin Medical Center ("HMC") for payment and retaining the difference between the original and the altered proposals/invoices.

14. Between 2007 and 2013, on multiple occasions, Respondent and Boyd received accurate and original proposals/invoices from IPS on behalf of Chubb and Philadelphia Insurance Carriers.

15. After receiving the accurate and original proposals/invoices from IPS, Respondent and Boyd altered these proposals/invoices to represent premium amounts higher than that which was reflected on the original invoice.

16. Respondent and Boyd would then submit the altered IPS proposals/invoices to HMC for payment.

17. During the 2007-2013 time frame, with assistance from Respondent, Boyd misappropriated approximately sixty-two thousand nine hundred three dollars and twenty-four cents ($62,903.24) from the scheme detailed in paragraph 13 through 16.

18. Respondent has personal knowledge and assisted in the alteration of IPS proposals/invoices to be submitted to HMC in furtherance of Boyd's scheme detailed in paragraphs 13 through 17.

CONCLUSIONS OF LAW

19. At all times relevant hereto, Tenn. Code Ann. § 56-6-112(a) has provided that the Commissioner may place on probation, suspend, revoke, or refuse to issue a license under Title 56, Chapter 6, Part 1, or issue a civil penalty for the following reason:

> . . .
>
> (4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;
>
> (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;
>
> . . .
>
> (7) Having admitted or been found to have committed any insurance unfair trade practice or fraud;
>
> (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;
>
> . . .
>
> (15) Violating the unfair trade practices as enumerated in § 56-6-125.

20. From on or about July 1, 2008, until on or about June 30, 2011, Tenn. Code Ann. § 56-2-305 provided that, in pertinent part:

> (a) If, after providing notice consistent with the process established by § 4-5-320(c) and providing the opportunity for a contested case hearing held in accordance with the Uniform Administrative Procedures Act, compiled in

title 4, chapter 5, part 3, the commissioner finds that any insurer, person, or entity required to be licensed, permitted, or authorized by the division of insurance has violated any statute, rule or order, the commissioner may, at the commissioner's discretion, order:

(2) Payment of a monetary penalty of not more than one thousand dollars ($1,000) for each violation, but not to exceed an aggregate penalty of one hundred thousand dollars ($100,000), unless the insurer, person, or entity knowingly violates a statute, rule or order, in which case the penalty shall not be more than twenty-five thousand dollars ($25,000) for each violation, not to exceed an aggregate penalty of two hundred fifty thousand dollars ($250,000). This subdivision (a)(2) shall not apply where a statute or rule specifically provides for other civil penalties for the violation. For purposes of this subdivision (a)(2), each day of continued violation shall constitute a separate violation. . .

(b) In determining the amount of penalty to assess under this section, or in determining whether the violation was a knowing violation for the purpose of subdivision (a)(2), the commissioner shall consider any evidence relative to the following criteria:

(1) Whether the insurer, person, or entity could reasonably have interpreted its actions to be in compliance with the obligations required by a statute, rule or order;

(2) Whether the amount imposed will be a substantial economic deterrent to the violator;

(3) Whether the amount imposed would put the violator in a hazardous financial condition;

(4) The circumstances leading to the violation;

(5) The severity of the violation and the risk of harm to the public;

(6) The economic benefits gained by the violator as a result of noncompliance;

(7) The interest of the public; and

(8) The insurer's, person's, or entity's efforts to cure the violation.

21. For all violations occurring on or after July 1, 2011, Tenn. Code Ann. § 56-6-112 (2011) states in pertinent part:

(e) The commissioner shall retain the authority to enforce this part and impose any penalty or remedy authorized by this part and this title against any person who is under investigation for or charged with a violation of this part or this title, even if the person's license has been surrendered or has lapsed by operation of law.

(g) If . . . the commissioner finds that any person required to be licensed, permitted, or authorized by the division of insurance pursuant to this chapter has violated any statute, rule or order, the commissioner may, at the commissioner's discretion, order:

(1) The person cease and desist from engaging in the act or practice giving rise to the violation;

(2) Payment of a monetary penalty of not more than one thousand dollars ($1,000) for each violation, but not to exceed an aggregate penalty of one hundred thousand dollars ($100,000). This subdivision (g)(2) shall not apply where a statute or rule specifically provides for other civil penalties for the violation. For the purposes of this subdivision (g)(2), each day of continued violation shall constitute a separate violation; and

(3) The suspension or revocation of the person's license.

(h) In determining the amount of penalty to assess under this section, the commissioner shall consider:

(1) Whether the person could reasonably have interpreted such a person's actions to be incompliance with the obligations required by a statute, rule or order;

(2) Whether the amount imposed will be a substantial economic deterrent to the violator;

(3) The circumstances leading to the violation;

(4) The severity of the violation and the risk of harm to the public;

(5) The economic benefits gained by the violator as a result of noncompliance;

(6) The interest of the public; and

(7) The person's efforts to cure the violation.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Respondent's waiver of the right to a hearing and appeal under the Act and the Uniform Administrative Procedures Act ("UAPA"), Tenn. Code Ann. §§ 4-5-101 *et. seq.*, and Respondent's admission of jurisdiction of the Commissioner, the Commissioner finds that Respondent, for the purpose of settling this matter, admits the Findings of Fact and Conclusions of Law, agrees to the entry of this Order, and agrees that this Order is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Law.

The Commissioner additionally grants Respondent immunity for her assistance in Boyd's fraudulent insurance practices in exchange for the surrender of her insurance license, her compliance with the Division's investigation into Boyd, and her willingness to testify in person in a hearing against Boyd for the aforementioned fraudulent insurance practices.

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

1. Respondent voluntarily surrenders her insurance producer license number 0892279 effective as of the date of this order.

2. Respondent agrees to provide any and all available information and evidence regarding the fraudulent scheme perpetuated by Respondent and Boyd set forth in the Findings of Fact to the Division's Fraud Investigators in lieu of charges being brought against Respondent.

3. Respondent agrees to testify in person against Boyd at any hearing brought by the Commissioner related to the fraudulent scheme perpetuated by Respondent and Boyd set forth in the Findings of Fact.

4. Should Respondent fail or refuse to satisfy any of the agreements set forth in this Consent Order, she will be subject to any disciplinary proceedings deemed appropriate by the Commissioner.

5. In addition, it is further **ORDERED** that all persons in any way assisting, aiding, or helping Respondent in any of the aforementioned violations of the Tennessee Insurance Law, shall **CEASE AND DESIST** from all such activities in violation of the Tennessee Insurance Law.

IT IS ORDERED that this Consent Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Respondent for violations of the Tennessee Insurance Law alleged by the Division to have occurred with respect to the transactions involving the above referenced victims and the facts contained herein.

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 the signatures affixed below, Respondent, affirmatively states she has freely agreed to the entry of this Consent Order, that she waives the right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made to her 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 as set forth in this Consent Order, are binding upon them.

ENTERED this 5th day of January, 2015.

Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

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Respectfully Submitted,

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