TN-ID-0693988
NPN-5937500

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

TENNESSEE INSURANCE DIVISION,	)	
	)	
Petitioner,	)	
	)	
v.	)	10-014
	)	
KAREN ANNE HOUSE,	)	
	)	
Respondent.	)	

CONSENT ORDER

The Tennessee Insurance Division ("Insurance Division") of the Tennessee Department of Commerce and Insurance ("Department"), by and through counsel, and Karen Anne House ("Respondent"), hereby stipulate and agree, subject to the approval of the Commissioner 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 the Agreed Order by the Commissioner.

2. The Commissioner has determined that the resolution set forth in this Consent Order is fair and reasonable and in the best public interest.

3. 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.

4. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts and/or omissions not specifically addressed in this Consent Order or for acts and/or omissions that do not arise from the facts or transactions herein addressed.

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 Consent Order and entry of said Consent Order by the Commissioner.

JURISDICTION

6. The Tennessee Insurance Law (the "Law"), as amended, Tennessee Code Annotated ("TENN. CODE ANN."), Title 56, places the responsibility for the administration of the Law on the Commissioner.

PARTIES

7. The Insurance 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. Respondent is a citizen and resident of Tennessee, residing at 675 Peace & Harmony Road, Gleason, Tennessee 38229. Respondent was first issued an insurance producer license (license number 693988) by the Department in 1988, and at all times relevant to the events herein, has been licensed by the Insurance Division to sell insurance in this state as an insurance producer.

FINDINGS OF FACTS

9. Prior to January 8, 2010, Respondent was registered as a pre-need sales agent (certificate of registration number 827) by the Department. Respondent was also licensed as a funeral director (license number 3054) and embalmer (license number 3490) by the Department.

10. On January 8, 2010, Respondent entered two (2) Consent Orders with the Department wherein she admitted that on fourteen (14) separate occasions she failed to deposit

payments she received on pre-need contract accounts into a separate trust account as required by TENN. CODE ANN. §§ 62-5-402 and 407. Respondent also admitted that she failed to maintain records of pre-need funeral service contracts as required by Tenn. Comp. R. & Regs. 0780-05-10-.05.

11. Based on the violations outlined in the Consent Orders, Respondent's pre-need sales agent registration, funeral director license and embalmer license were revoked. Respondent was also assessed a civil penalty in the amount of twelve thousand five hundred dollars ($12,500).

CONCLUSIONS OF LAW

12. TENN. CODE ANN. § 56-6-112(a)(2) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license for anyone violating any law, rule, regulation, subpoena or order of the Commissioner or of another state's Commissioner.

13. TENN. CODE ANN. § 56-6-112(a)(8) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license for anyone using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business.

14. Respondent hereby admits to the Findings of Fact and Conclusions of Law, above, and that they are accurate, fair and reasonable. Respondent enters into this Consent Order for the sole purpose of avoiding further administrative action with respect to this cause.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and the waiver by Respondent of her rights to a hearing and appeal under the Law, Tennessee's Uniform Administrative Procedures Act, TENN. CODE ANN. § 4-5-101, *et seq.*, and the admission by Respondent of the jurisdiction of the Commissioner, the Commissioner finds that Respondent has agreed to the entry of this Consent Order and that this Consent Order is appropriate and in the public interest.

IT IS ORDERED, therefore, that Respondent's insurance producer license (license number 693988) is hereby immediately **REVOKED**. Respondent shall have ten (10) days from the date her signature is affixed to this Consent Order to submit her insurance producer license to the Department.

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 that she has freely agreed to the entry of this Consent Order, that she has been advised that she may consult legal counsel in this matter, has had the opportunity to consult legal counsel, that she waives her 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 by the Commissioner, the Insurance 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 30th day of April, 2010.

Leslie A. Newman

Leslie A. Newman, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

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