



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

<b>TENNESSEE INSURANCE DIVISION,</b>	)	
	)	
<b>Petitioner,</b>	)	
	)	
<b>vs.</b>	)	<b>TID No.: 20-072</b>
	)	
<b>HALL INSURANCE AGENCY, INC.,</b>	)	
<b>CARROLL L. HALL, AND</b>	)	
<b>CAROLINE V. HALL,</b>	)	
	)	
<b>Respondents.</b>	)	

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**CONSENT ORDER**

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The Insurance Division of the Tennessee Department of Commerce and Insurance (“Division”), Hall Insurance Agency, Inc., Carroll L. Hall, and Caroline V. Hall (together, “Respondents”) hereby stipulate and agree to the entry and execution of this Consent Order, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”) as follows:

**I. GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order is subject to and requires the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the Commissioner’s signature and execution of this Consent Order. Entry and execution of this Consent Order by the Commissioner shall occur once the Commissioner signs and dates this Consent Order.

2. This Consent Order is entered into by the Respondents for the purpose of avoiding further administrative action with respect to this cause. 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. The Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondents 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 addressed herein.

4. The Respondents fully understand 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, or for violations of the 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 entry and execution of this Consent Order.

5. The Respondents expressly waive all further procedural steps and all rights to seek a hearing, judicial review, 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 and execution of this Consent Order by the Commissioner.

6. The Respondents fully understand that this Consent Order, when entered, will constitute a public document for purposes of any applicable statutes governing public access to government records.

## **II. AUTHORITY AND JURISDICTION**

7. The Commissioner has jurisdiction over insurance matters pursuant to Title 56 of the Tennessee Code Annotated (“Tenn. Code Ann.”), specifically Tenn. Code Ann. §§ 56-1-202

and 56-6-112 (the “Law”). The Division is the lawful agent through which the Commissioner discharges this responsibility.

### **III. PARTIES**

8. The Division is the lawful agent through which the Commissioner discharges the administration of the Law, and it is authorized to bring this action for the protection of Tennessee citizens.

9. Hall Insurance Agency, Inc. (“Hall Insurance”) is an active business, on file with the Tennessee Secretary of State, with a principal office address of 1016 Greystone Square, Jackson, Tennessee 38305-3580. At all times relevant until January 1, 2019, Joseph F. Hall, Jr. was the Principal Agent for Hall Insurance and owned one hundred percent (100%) of the shares of Hall Insurance.

10. Hall Insurance holds Tennessee insurance producer license number (“TPN”) 2009749 and has been assigned National Insurance Producer Number (“NPN”) 4001996 by the National Insurance Producer Registry (“NIPR”), a service of the National Association of Insurance Commissioners (“NAIC”).

11. At all times relevant until January 1, 2019, Joseph F. Hall, Jr. was a Designated Responsible Licensed Producer (“DRLP”) for Hall Insurance. Until Mr. Hall passed away May 20, 2020, Joseph F. Hall, Jr. held TPN 0314660; and NPN 2785020.

12. Carroll L. Hall is a DRLP for Hall Insurance, effective February 17, 2014. Her mailing address on record with the Division is 10 Okeena Drive, Jackson, Tennessee 38305.

13. Carroll L. Hall holds TPN 0733361; and NPN 5941788.

14. Caroline V. Hall is a DRLP for Hall Insurance, effective January 25, 2016. Her mailing address on record with the Division is 10 Okeena Drive, Jackson, Tennessee 38305.

15. Caroline V. Hall holds TPN 2293779; and NPN 17469803.

16. The Respondents are active licensees of the Division who are responsible for being compliant with the insurance laws and regulations of the State of Tennessee.

#### **IV. FINDINGS OF FACT**

17. At all times relevant, Hall Insurance, Joseph F. Hall, Jr., Carroll L. Hall, Caroline V. Hall, and Robert L. Nelson were licensed in Tennessee as resident insurance producers. At all times relevant until July 13, 2017, Robert L. Nelson was an insurance producer employed by Hall Insurance.

18. At all times relevant, Hall Insurance, Joseph F. Hall, Jr., Carroll L. Hall, Caroline V. Hall, and Robert L. Nelson were appointed by State Auto Insurance Companies (“State Auto”) to write and bind insurance policies on behalf of State Auto.

19. At all times relevant, Joseph F. Hall, Jr., as the sole shareholder of Hall Insurance, received commissions for Hall Insurance producing policies for State Auto.

20. On September 30, 2016, State Auto informed the Division that it terminated the appointments of Hall Insurance, Joseph F. Hall, Jr., Carroll L. Hall, Caroline V. Hall, and Robert L. Nelson after State Auto concluded that someone working within Hall Insurance altered or attached higher credit scores to certain insurance applications to obtain more advantageous premium rates.

21. State Auto identified fifty-eight (58) instances of altered credit scores on insurance applications between December 29, 2014, and September 7, 2016, during which time Joseph F. Hall, Jr., Carroll L. Hall, or Caroline Hall served as DRLPs for Hall Insurance.

22. At all times since the Respondents have been licensed or registered to do business in Tennessee, the complaint made by State Auto was the only complaint received by the

Commissioner about the Respondents. The Respondents are not the subject of any other complaint or disciplinary action.

23. On or about September 28, 2016, State Auto informed Hall Insurance that it had terminated the appointments of Hall Insurance, Joseph F. Hall, Jr., Carroll L. Hall, Caroline V. Hall, and Robert L. Nelson with State Auto. On October 21, 2016, State Auto proposed reinstatement of Hall Insurance's appointment, but the parties did not reach an agreement.

24. On January 6, 2017, Inquisitorial Order number 16-084 was entered by the Division commencing an investigation in this matter as to Joseph F. Hall, Jr., Carroll L. Hall, Caroline V. Hall, Robert L. Nelson, and Hall Insurance.

25. On July 13, 2017, Hall Insurance concluded an internal investigation relating to these allegations and entered a separation agreement with its employee insurance producer, Robert L. Nelson.

#### **V. CONCLUSIONS OF LAW**

26. Tenn. Code Ann. § 56-6-106 establishes:

...

(b) A business entity may obtain an insurance producer's license; however, only an individual licensed producer or limited lines producer shall sell, solicit or negotiate a contract of insurance in this state. Application shall be made using the uniform business entity application. An individual authorized and acting on behalf of the business entity shall declare under penalty of refusal, suspension or revocation of the license that the statements made in the application are true, correct and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner shall find that:

...

(2) The business entity has designated a principal or officer who also holds a current producer license responsible for

the business entity's compliance with the insurance laws, rules and regulations of this state.

27. Tenn. Code Ann. § 56-6-112 establishes:

(a) The commissioner may place on probation, suspend, revoke or refuse to issue or renew a license issued under this part or may levy a civil penalty in accordance with this section or take any combination of those actions, for any one (1) or more of the following causes:

...

(2) Violating any law, rule, regulation, subpoena or order of the commissioner or of another state's commissioner[.]

...

(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.

(f) The commissioner may serve a notice or order in any action arising under this part by registered or certified mail to the insurance producer or applicant at the address of record in the files of the department. Notwithstanding any law to the contrary, service in the manner set forth in this subsection (f) shall be deemed to constitute actual service on the insurance producer or applicant.

(g) 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, 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 to 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 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 person's 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) 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.

28. The Respondents committed violations of Tenn. Code Ann. § 56-6-112(a)(2).

29. The Respondents hereby acknowledge the Commissioner's authority to administer the statutes cited herein, concede that the interpretation of the statutes cited herein are reasonable and enforceable, and agree to the Commissioner's entry and execution of this Consent Order, including each of the following sanctions ordered below.

## **VI. ORDER**

**NOW, THEREFORE**, based on the foregoing, including the Respondents' waiver of the right to a hearing and appeal under the Law and the Tennessee Uniform Administrative

Procedures Act, and the Respondents' admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondents admit to the Findings of Fact and Conclusions of Law contained herein, agree to the entry and execution of this Consent Order, and find this Consent Order to be appropriate, in the best interest of the public, and necessary for the protection of the public.

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

1. Hall Insurance Agency, Inc. shall **PAY A CIVIL PENALTY** to the State of Tennessee of one thousand dollars (\$1,000) on behalf of the Respondents. The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance. Page one (1) of this Consent Order must accompany the payment for reference. Payment shall be remitted within thirty (30) days of entry and execution of this Consent Order, as evidenced by the Commissioner's signature, and mailed to the attention of:

**State of Tennessee  
Department of Commerce and Insurance  
Attn: Garron Amos  
Davy Crockett Tower  
500 James Robertson Parkway  
Nashville, Tennessee 37243**

2. This Consent Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner against the Respondents for violations of the Law with respect to the transactions involved in the above-referenced facts; however, excluded from, and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the Consent Order provisions contained herein.

3. This Consent Order is in the best interest of both the public, and the parties, and represents a compromise and settlement of the controversy between the parties. By their




signatures affixed below, the Respondents state that they have: (1) freely agreed to the entry and execution of this Consent Order; (2) been afforded the opportunity to consult with legal counsel in this matter; (3) reviewed the Findings of Fact and Conclusions of Law contained herein; and (4) waived their right to a hearing on the matters underlying this Consent Order and the enforcement of this Consent Order. The Respondents further state that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof with regard to this Consent Order.

4. By signing this Consent Order, the parties 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 the settlement as set forth herein, are binding upon them.

5. This Consent Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one (1) and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

**ENTERED AND EXECUTED** July 22, 2021.

  
Carter Lawrence (Jul 22, 2021 13:08 CDT)  
Carter Lawrence, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY:**

Carroll Hall

Carroll Hall, personally and on behalf of,  
Hall Insurance Agency, Inc.  
Respondents

WmDH

Bill Huddleston (Jul 22, 2021 08:25 CDT)

Bill Huddleston  
Assistant Commissioner for Insurance  
Department of Commerce and Insurance

Caroline V Hall

Caroline V. Hall  
Respondent

Garron Amos

Garron Amos (BPRN 035924)  
Associate General Counsel  
Department of Commerce and Insurance

C. Joseph Hubbard

C. Joseph Hubbard (BPRN 029226)  
*Attorney for the Respondents*