



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

**TENNESSEE INSURANCE DIVISION,** )  
**Petitioner.** )  
)  
v. )  
)  
**SHARON M. WATSON,** )  
)  
**Respondent.** )

**APD No. 12.01-137400J**  
**TID No. 14-049**

---

**CONSENT ORDER**

---

The Tennessee Insurance Division (“TID”) and Sharon Watson (“Respondent”) ( hereinafter collectively, the “Parties”) agree, by and through their respective counsel, and subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”), to the entry of this Consent Order (“Order”) in accordance with the provisions of the Tennessee Insurance Law (the “Law”) found under TENN. CODE ANN. § 56-6-112 and TENN. CODE ANN. § 56-2-305.

**GENERAL STIPULATIONS**

1. It is expressly understood that this Order is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Order is executed by the Parties for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

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

4. The Respondent fully understands that this Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for the violations of the Law addressed specifically in this Order, against the 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 Order by the Parties.

#### **FINDINGS OF FACT**

5. Respondent is a resident and citizen of the State of Mississippi, with an address of 4169 Red Oaks Drive, Horn Lake, Mississippi 38637.

6. Respondent is a current holder of a valid Non-Resident Tennessee Insurance Producer's License number 0798821.

7. In 2014, a controversy arose involving insurance claims made by the Respondent for her family members under certain policies issued by the American Family Life Assurance Company ("AFLAC").

8. A series of claims totaling one thousand, two hundred dollars (\$1,200), reflecting medical service dates between August 12, 2001 and April 19, 2013, were made by the Respondent in December of 2013.

9. Respondent voluntarily made restitution to AFLAC of the entire amount of the claims, totaling one thousand, two hundred dollars (\$1,200).

10. Respondent, through Counsel, has advised the TID of her desire to resolve the matter relating to the above-referenced claims.

11. Respondent agrees to be placed on probation within the scope of her Non-Resident Insurance Producer's License for a period of six (6) months.

12. Respondent agrees to pay a civil penalty in the amount of eight hundred fifty dollars (\$850) within thirty (30) days of the entry of this Order.

13. Respondent expressly agrees to waive all further procedural steps and all rights to seek judicial review of, or to otherwise challenge or contest the validity of this Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Order by the Commissioner.

14. Respondent has expressly agreed to permanently waive any right to a hearing and appeal under TENN. CODE ANN. §§ 4-5-101 *et seq.*, with respect to this Order.

15. Respondent has voluntarily complied and fully cooperated with the investigation by the TID and with all requests for information.

16. Petitioner alleges facts as stated herein provide sufficient grounds for a finding that the Respondent violated TENN. CODE ANN. § 56-6-112(a)(8) on twenty-three (23) occasions.

CONCLUSIONS OF LAW

17. TENN. CODE ANN. § 56-6-112 states that:

(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:

...

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

...

(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 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.

**ORDER**

**NOW, THEREFORE**, on the basis of the foregoing, and the waiver by the Respondent of the right to a hearing and appeal under the Tennessee Insurance Law and the Tennessee Uniform Administrative Procedures Act, TENN. CODE ANN. §§ 4-5-101 *et seq.*, and the admission by the Respondent 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 herein, has agreed to the entry of this Order, and that the following Order is appropriate, and is in the public interest.

**IT IS ORDERED**, pursuant to TENN. CODE ANN. § 56-6-112 of the Law, that Respondent Sharon Watson:

1. **COMPLY** with the provisions of the Tennessee Insurance Law, as amended;

2. **CEASE AND DESIST** in any future conduct in violation of any Rule, Regulation, or Statute under the Law;

3. **SHALL BE PLACED ON PROBATION** for a period of six (6) months; during which time any violation of any Rule, Regulation, or Statute under the Law shall receive enhanced scrutiny and additional potential discipline, but is not in any manner restricted from participation in the Insurance industry in the State of Tennessee under the terms of probation; and

4. **PAY A CIVIL PENALTY** to the State of Tennessee in the total amount of eight hundred fifty dollars (\$850) within thirty (30) days of the entry of this Order. Payment shall be mailed to:

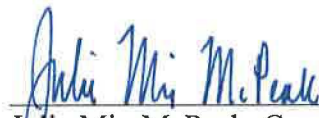
**State of Tennessee**  
**Department of Commerce and Insurance**  
**Legal Division, 8th Floor**  
**Attn: Charles S. Herrell, Attorney**  
**Davy Crockett Tower**  
**500 James Robertson Parkway**  
**Nashville, Tennessee 37243**

5. If payment is not made according to the terms described above, the TID may vacate this Order, at their sole discretion, upon ten (10) days' notice to Respondent, and without opportunity for an administrative hearing and proceed with an administrative action.

6. **IT IS FURTHER ORDERED** that this 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 Law alleged by the TID to have occurred with respect to the transactions involving the above-referenced facts. However, excluded from and not covered by this paragraph, are any claims by the TID arising from or relating to enforcement of the Order provisions contained herein.

7. This 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, the Respondent and her Counsel affirmatively state that she has freely agreed to the entry of this Order, that she waives the right to a hearing on the matters underlying this 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 TID, or any agent or representative thereof. The parties, by signing this Order, affirmatively state their agreement to be bound by the terms of this 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 Order, are binding upon them.

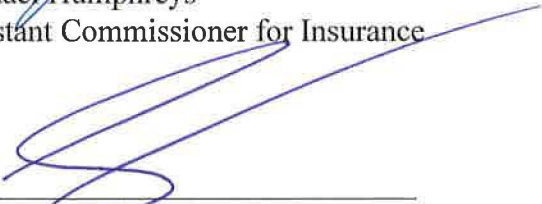
ENTERED this 30 day of December, 2016.

  
\_\_\_\_\_  
Julie Mix McPeak, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY:**



Michael Humphreys  
Assistant Commissioner for Insurance



Charles S. Herrell (BPR # 18035)  
Assistant General Counsel  
Department of Commerce and Insurance  
500 James Robertson Parkway, 8<sup>th</sup> Floor  
Nashville, Tennessee 37243  
(615) 253-1378/Fax (615) 741-4000



Daniel Peel (BPR # 19245)  
Attorney for Respondent  
Pembroke Square  
119 S. Main Street, Suite 500  
Memphis, Tennessee 38103  
(901) 322-8700



Sharon Watson, Respondent




**CONSENT TO ENTRY OF ORDER BY  
SHARON WATSON**

1. Sharon Watson ("Watson") hereby acknowledges that she has been served with a copy of this Order, has read the foregoing Order, is aware of her right to a hearing and appeal in this matter, and has waived the same.
2. Watson admits the jurisdiction of the State of Tennessee; admits the Findings of Fact and Conclusions of Law contained in this Order; and consents to entry of this Order by the Commissioner, Tennessee Department of Commerce and Insurance, as settlement of the issues contained in this Order.
3. Watson states that no promise of any kind or nature whatsoever was made to induce her to enter into this Order and that she has entered into this Order voluntarily.

Dated this 17<sup>th</sup> day of January, 2018.

  
\_\_\_\_\_  
Sharon Watson

  
\_\_\_\_\_  
Daniel Peel  
Attorney for Sharon Watson