

No. 3775

**Official Order
of the
Texas Commissioner of Insurance**

Date: JAN 12 2015

Subject Considered:

Texas Department of Insurance

v.

Hector Arellano, Jr.

SOAH Docket No. 454-14-4407.C

TDI Enforcement Case No. 5933

General remarks and official action taken:

The commissioner of insurance considers disciplinary action against Hector Arellano, Jr., who holds a general lines property and casualty insurance license issued by the Texas Department of Insurance. Following an administrative hearing at the State Office of Administrative Hearings, the administrative law judge submitted a proposal for decision with findings of fact and conclusions of law, recommending revocation of Arellano's license. The commissioner accepts the proposed findings of fact, conclusions of law, and recommendation of the ALJ, with non-substantive formatting and style changes.

FINDINGS OF FACT

1. Hector Arellano, Jr. holds a general lines property and casualty insurance license issued by the Texas Department of Insurance.
2. Arellano sold life insurance policies.
3. Arellano was not licensed to sell life insurance when he sold the policies.
4. Arellano submitted specimens of his own saliva in place of those required of applicants in conjunction with approximately 30 applications for life insurance.
5. In conjunction with applications for homeowner's insurance, Arellano submitted falsified home security certificates indicating applicants had security systems in place at their homes, when they had no such systems.

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6. The conduct reflected in findings of fact nos. 3-5 was fraudulent and dishonest.
7. Arellano has not completed the required number of continuing education hours for his 2009-2011 or 2011-2013 reporting periods.
8. TDI Staff advised Arellano that it was seeking revocation of his license based on the allegations that he engaged in the activities described in the preceding findings of fact.
9. Staff sent Arellano a Notice of Hearing July 10, 2014. The notice contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and a short, plain statement of the matters asserted.
10. The hearing convened and closed October 8, 2014, before ALJ Gary Elkins at SOAH's offices in Austin. Arellano appeared and represented himself at the hearing. Staff appeared and was represented by staff attorney Erin Dinsmore.

CONCLUSIONS OF LAW

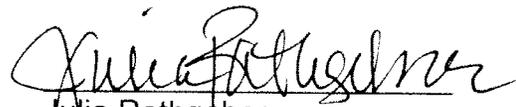
1. TDI has jurisdiction to decide this matter. Tex. Ins. Code §§82.051, 82.052, 4005.101, 4005.102, and 4051.051.
2. SOAH has jurisdiction over matters relating to the conduct of the hearing and issuance of a recommendation in the form of a proposal for decision. Tex. Gov't Code ch. 2003.
3. Adequate and timely notice was provided to Arellano. Tex. Gov't Code §§2001.051 and 2001.052.
4. Arellano violated Texas Insurance Code §4054.051(3) by selling life insurance without a general life, accident, and health insurance license.
5. Because Arellano engaged in fraudulent and dishonest acts and practices, TDI may discipline him. Tex. Ins. Code §4005.101(b)(2) and (5).
6. Arellano violated Texas Insurance Code §§4004.051, 4004.053, and 4004.054 by failing to comply with continuing education requirements.

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7. TDI may revoke Arellano's license for a violation of the Texas Insurance Code. Tex. Ins. Code §4005.102(2).
8. Arellano's license should be revoked.

The commissioner of insurance revokes Hector Arellano, Jr.'s general lines property and casualty insurance license.


Julia Rathgeber
Commissioner of Insurance