

No. 2020-6195

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

Date: JAN 16 2020

Subject Considered:

James Leslie Sloan
PO Box 8639
The Woodlands, Texas 77387

Consent Order
TDI Enforcement File No. 14129

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against James Leslie Sloan (Sloan). TDI alleges that Sloan failed to forward a premium payment to an insurer causing the policy to cancel. Once Sloan was notified of the cancellation, Sloan made proper payment and the insured's policy was reinstated. Sloan has agreed to pay a \$2,500 administrative penalty.

Waiver

Sloan acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. Sloan waives all of these rights in consideration of the entry of this consent order.

Findings of Fact

Licensure

1. Sloan, individual identification number 280191, holds a general lines agent license with a life, accident and health qualification issued by the Texas Department of

Insurance on January 20, 1998, and a property and casualty qualification issued on March 6, 2002.

Unregistered Assumed Name

2. Sloan is the owner of James Sloan Insurance Agency located at 27350 Blueberry Hill Drive, #20, Conroe, Texas 77385.
3. Sloan filed an assumed name certificate for James Sloan Insurance Agency with the County Clerk of Harris County, Texas on November 5, 2002, and with the County Clerk of Montgomery County, Texas on February 4, 2013. Sloan failed to register the assumed name with the department.
4. Sloan has used the name James Sloan Insurance Agency to conduct the business of insurance in Texas since at least November 5, 2002. Sloan came into compliance and registered the agency name with the department on April 17, 2018. Sloan has been operating his agency since then without any issue or complaints.

Consumer Complaint

5. On February 21, 2017, the department received a complaint from a consumer alleging Sloan failed to forward a premium payment of \$1,591 to the consumer's homeowners insurer following the purchase of a new home, thereby causing the policy to cancel.
6. Prior to closing on the home in April of 2016, Sloan provided an invoice to the title company with instructions to pay the insurer for the premium payment. However, the title company mistakenly made the check payable to James Sloan Insurance Agency.
7. Sloan accepted the payment as written and deposited it into his agency's account with the intent to provide a new check to the insurer for the premium payment; however, Sloan failed to submit the payment to the insurer.
8. Approximately 10 months later, in February of 2017, the consumer unsuccessfully attempted to reach Sloan to cancel the policy and move to another carrier.
9. The consumer contacted the insurer directly and learned that the policy cancelled on June 10, 2016, for non-payment of premium.

10. Once notified of the cancellation and non-payment, Sloan immediately made proper payment by agency check dated April 11, 2017, and the consumer's homeowners insurer reinstated the policy to the date of inception, covering May 11, 2016, to May 11, 2017, with no lapse in coverage.
11. The consumer did not suffer any losses from May 11, 2016, through April 11, 2017, the reinstatement date.
12. The consumer's homeowners insurer confirmed to the department that had a loss occurred during that period, the company would have honored the policy because the consumer had made the premium payment to Sloan.
13. Sloan acknowledged the error, stating that the agency accepted the premium payment and the office manager deposited the payment with the intent to pay the insurer from the agency's account, but the payment was not made due to an oversight.
14. Sloan has instituted internal agency procedures to prevent future issues:
 - a. Instead of depositing premium payments when check payments are made payable to James Sloan Insurance Agency, those payments are endorsed for payment directly to the appropriate insurers.
 - b. Sloan monitors title company activities to ensure that premium payments are made payable to insurers and not to James Sloan Insurance Agency.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.001-82.056, 84.021-84.022, 4005.101, 4005.102, 4051.051, and 4054.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to dispose of this case informally pursuant to the provisions of TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 36.104 and 82.055, and 28 TEX. ADMIN. CODE § 1.47.
3. Sloan has knowingly and voluntarily waived all procedural rights to which he may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of


hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.

- 4. Sloan failed to register assumed names and/or additional offices by filing with the department a completed License Division Trade Name/Location Registration Form (LDTL) together with the required fee, in violation of 28 TEX. ADMIN. CODE §19.902(c).
- 5. Sloan misappropriated, converted to his own use or illegally withheld money belonging to an insurer, insured, or beneficiary in violation by TEX. INS. CODE § 4005.101(b)(4).

Order


It is ordered that James Leslie Sloan must pay a \$2,500 administrative penalty within 30 days from the date of this order. The penalty must be paid by cashier's check or money order made payable to the "State of Texas" and sent to the Texas Department of Insurance, Attn: Enforcement, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

Kent C. Sullivan
Commissioner of Insurance


By: 

 Doug Slape
 Chief Deputy Commissioner
 Commissioner's Order No. 2018-5528

Recommended and reviewed by:



 Leah Gillum, Deputy Commissioner
 Enforcement Section



 Cassie Tigue, Staff Attorney
 Enforcement Section

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Affidavit

STATE OF Texas §

COUNTY OF Montgomery §

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

"My name is James Leslie Sloan. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

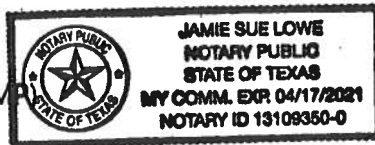
I waive rights provided by the Texas Insurance Code and other applicable law and acknowledge the jurisdiction of the commissioner.

I have knowingly and voluntarily entered into this consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the State of Texas."

James Leslie Sloan
Affiant

SWORN TO AND SUBSCRIBED before me on this 14 day of March, 2019.

(NOTARY STAMP)



Jamie Sue Lowe
Signature of Notary Public