

No. **2016-4742**

**OFFICIAL ORDER**  
of the  
**TEXAS COMMISSIONER OF INSURANCE**

Date: OCT 25 2016

**Subject Considered:**

JAMES W. LANE III  
486 County Road 125  
Whitesboro, Texas 76273-6953

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 7837

**General remarks and official action taken:**

The commissioner of insurance considers whether disciplinary action should be taken against James W. Lane III.

**Waiver**

Lane acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Lane waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

**Findings of Fact**

1. James W. Lane III holds a general lines agent license with property and casualty and life, accident, and health qualifications, originally issued by the department on January 30, 2007.
2. On January 2, 2011, Lane was appointed to do the business of insurance on behalf of Praetorian Insurance Company, a subsidiary of QBE Insurance Group (QBE). QBE subsequently canceled Lane's appointment on June 4, 2014.
3. At the time of the cancellation of his appointment, QBE's records showed numerous instances where Lane had submitted applications for livestock mortality coverage, but had not remitted the corresponding premium payments to the company.
  - a. The producer agreement between Lane and QBE stated Lane was to remit premium payments he received from policyholders by the 30th day from the end of the month in which billed, thereby assuming full responsibility for the payments.
  - b. Lane admits he received premium payments from 31 of the policyholders in question and failed to remit corresponding premiums to QBE.

- c. QBE provided coverage for each of the policyholders where Lane had filed an application as the agent of record; QBE did not cancel coverage for any of these policies due to nonpayment.
  - d. At the date of his cancellation, QBE's records show Lane owed \$40,085.20 in unpaid premium payments.
4. Lane admits that he used money he collected from policyholders as premium payments to pay for personal expenses, including divorce litigation, residential mortgage, and meal expenses.
5. As of the date of this order, Lane owes QBE \$35,915.60 in unpaid premiums.
6. Lane filed an assumed name record with Cooke County, Texas, on June 30, 2010, for the name "Jim Lane Insurance."
7. Lane also conducted the business of insurance and advertised his insurance services under the assumed name "Jim Lane Equine Insurance Services."
8. On May 26, 2016, Lane made his first filing to inform the department of three assumed names he was using to do the business of insurance: "Jim Lane Equine Insurance Services," "Jim Lane Insurance," and "Jim Lane Insurance Services."
9. Lane understands that as of the date of this order he will no longer be authorized to do the business of insurance, as defined in TEX. INS. CODE § 101.051, which includes directly or indirectly acting as an agent for or otherwise representing or assisting an insurer or person in:
  - a. Soliciting, negotiating, procuring, or effectuating insurance or a renewal of insurance;
  - b. Disseminating information relating to coverage or rates;
  - c. Forwarding an insurance application;
  - d. Delivering an insurance policy or contract;
  - e. Inspecting a risk;
  - f. Setting a rate;
  - g. Investigating or adjusting a claim or loss;
  - h. Transacting a matter after the effectuation of the contract that arises out of the contract; or
  - i. Representing or assisting an insurer or person in any other manner in the transaction of insurance with respect to a subject of insurance that is resident, located, or to be performed in this state.

### **Conclusions of Law**

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 82, 84, 101, 4005, 4051, and 4054, and TEX. GOV'T CODE §§ 2001.051-2001.178.

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2. The commissioner has the authority to dispose of this case informally pursuant to TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 36.104 and 82.055, and 28 TEX. ADMIN. CODE § 1.47.
3. Pursuant to TEX. INS. CODE § 4005.101(b)(1), the department may discipline Lane because he has willfully violated an insurance law of this state.
4. Lane violated TEX. INS. CODE § 4005.101(b)(4) by misappropriating, converting to his own use, or illegally withholding money belonging to an insurer.
5. Lane violated TEX. INS. CODE § 4005.101(b)(5) by engaging in fraudulent or dishonest acts or practices.
6. Lane violated 28 TEX. ADMIN. CODE § 19.902 by failing to complete and submit a name registration form, informing the department of any and all assumed names which he utilized in doing an insurance agency business.

The commissioner of insurance revokes the general lines agent license with property and casualty and life, accident, and health qualifications of James W. Lane III.



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David C. Mattax  
Commissioner of Insurance

Approved as to Form and Content:



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Erin Dinsmore, Staff Attorney  
Compliance Division, Enforcement Section

**Affidavit**

STATE OF TEXAS

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§

COUNTY OF COOKE

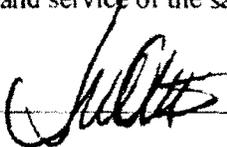
Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

"My name is JAMES W. LANE. 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 laws, 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."

Affiant



SWORN TO AND SUBSCRIBED before me on this 20<sup>th</sup> day of October, 2016.

(NOTARY SEAL)



Signature of Notary Public