Official Order
of the
Texas Commissioner of Insurance

Date: 11/19/2020

Subjects Considered:

Clarence W. Palmer
P.O. Box 1011
Ridgeland, Mississippi 39158-1011

NIS Insurance Service Inc
205 Moore St.
Terrell, Texas 75160-3207

Default Order
SOAH Docket No. 454-20-4512
TDI Enforcement File Nos. 24318 and 24319

General remarks and official action taken:

This is a default order taken against Clarence W. Palmer and NIS Insurance Service Inc (Respondents) because they both engaged in fraudulent or dishonest practices and willfully violated an insurance law of this state. Clarence W. Palmer also failed to notify the Texas Department of Insurance of administrative actions taken against him by an insurance regulator of another state. Respondents did not appear at the hearing on the merits. This order revokes Respondents’ licenses.

The following findings of fact and conclusions of law are adopted:

Findings of Fact

Failure to Appear at Hearing on the Merits

1. On August 12, 2020, the department filed a Notice of Hearing, attached as Exhibit A, and an Original Petition, attached as Exhibit B, with the State Office of Administrative Hearings.
2. The department’s factual allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order as findings of fact.

3. The department sent the Notice of Hearing and Original Petition to Respondents’ last known addresses provided in writing to the department:
   a. Clarence W. Palmer: P.O. Box 1011, Ridgeland, Mississippi 39158-1011 and
   b. NIS Insurance Service Inc: 205 Moore St., Terrell, Texas 75160-3207.

4. The Notice of Hearing and Original Petition were also sent by electronic mail and to an additional address associated with both Respondents: 7048 Old Canton Road, Ridgeland, Mississippi 39157-1008.

5. After receiving proper notice of the date, time, and location of the hearing on the merits, Respondents failed to appear for the hearing on November 10, 2020, as shown in the record in SOAH Docket No. 454-20-4512.

Conclusions of Law

1. The commissioner has jurisdiction pursuant to Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4003.007, 4005.101-4005.102, 4005.107, 4051.051, and 4054.051, and TEX. GOV’T CODE §§ 2001.051-2001.178.

2. The commissioner has authority to dispose of this case informally pursuant to TEX. GOV’T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89.


4. Based on Respondents’ failure to appear in person or by legal representative at the hearing, the department is entitled to disposition by default pursuant to 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.

5. The department’s factual and legal allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order and deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
Order

It is ordered that any licenses held by Clarence W. Palmer and NIS Insurance Service Inc are revoked. A copy of this order will be provided to law enforcement and/or other appropriate administrative agencies for further investigation as may be warranted.

Commissioner of Insurance

By: Doug Slape
Chief Deputy Commissioner
TEX. GOV’T CODE § 601.002
Commissioner’s Order No. 2018-5528

Prepared and reviewed by:

Amanda Atkinson Cagle, Staff Attorney
Enforcement Division
STATE OF TEXAS §

COUNTY OF TRAVIS §

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

“My name is David Moreno and I am employed by the Texas Department of Insurance. I am of sound mind, capable of making this affidavit, and have personal knowledge of these facts which are true and correct.

I have reviewed TDI’s records concerning Clarence W. Palmer and NIS Insurance Service Inc I have confirmed that:

a. The last mailing address provided to the department in writing by Clarence W. Palmer is: P.O. Box 1011, Ridgeland, Mississippi 39158-1011.

b. The last mailing address provided to the department in writing by NIS Insurance Service Inc is: 205 Moore St., Terrell, Texas 75160-3207.

c. The file maintained by the Enforcement Division contains a Notice of Hearing and Original Petition dated August 12, 2020, which were filed with the State Office of Administrative Hearings.

d. On August 12, 2020, the Notice of Hearing and Original Petition addressed to Clarence W. Palmer and NIS Insurance Service Inc were emailed and were mailed certified, return receipt requested, to their last known addresses and to an additional address: 7048 Old Canton Road, Ridgeland, Mississippi 39157-1008.

A copy of the certified mail log maintained by the Enforcement Division is attached as Exhibit C.”

Affiant
SWORN TO AND SUBSCRIBED before me by means of an interactive two-way audio and video communication on 11/12/2020. This notarial act was an online notarization.

Notary Seal

MARY RUIZ
Notary ID
130792427
My Commission Expires
8/23/2024

Digital Certificate

DocuSigned by:

Mary Ruiz
795DC4D9167489...
Notary Public State of Texas
TEXAS DEPARTMENT OF INSURANCE, 

BEFORE THE STATE OFFICE

v.

CLARENCE W. PALMER and NIS INSURANCE SERVICE INC,

ADMINISTRATIVE HEARINGS

NOTICE OF HEARING

The Texas Department of Insurance seeks to take disciplinary action against you. This Notice of Hearing and the Original Petition, which is attached and incorporated for all purposes, states the allegations against you and the relief sought by the Department.

A public hearing will be held before an Administrative Law Judge on Tuesday, November 10, 2020, at 9:00 a.m. The hearing will take place at the State Office of Administrative Hearings, located in the William P. Clements Building, 300 W. 15th Street, 4th Floor, Austin, Texas 78701.

The hearing shall be conducted pursuant to TEX. GOV’T CODE, ch. 2001 and 1 TEX. ADMIN. CODE, ch. 155. Unless otherwise directed by the Administrative Law Judge, the hearing shall continue from day to day in the offices of the State Office of Administrative Hearings until concluded. You have the right to appear at this hearing and to be represented by an attorney.

Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at www.soah.texas.gov, or in printed format upon request to SOAH.

YOU MUST FILE A WRITTEN RESPONSE TO THE NOTICE OF HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN 20 DAYS OF THE DATE THE NOTICE OF HEARING WAS MAILED. FAILURE TO FILE A WRITTEN RESPONSE BY THIS DEADLINE SHALL ENTITLE TDI TO SEEK DISPOSITION BY DEFAULT PURSUANT TO 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.
IF YOU FAIL TO FILE A WRITTEN RESPONSE, THE SCHEDULED HEARING CAN BE CANCELED AND WITHOUT FURTHER NOTICE TO YOU THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING REVOCATION OF YOUR LICENSE, IS GRANTED BY DEFAULT.

IF YOU FILE A WRITTEN RESPONSE BUT THEN FAIL TO APPEAR ON THE DAY AND TIME SET FOR HEARING, WITHOUT FURTHER NOTICE TO YOU, THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING REVOCATION OF YOUR LICENSE, IS GRANTED BY DEFAULT.

In accord with 28 Tex. Admin. Code § 1.90(e) and 1 Tex. Admin. Code §§ 155.101 and 155.103, you should send copies of your written response to:

(1) Docketing Division  
State Office of Administrative Hearings  
300 West 15th Street, Room 504  
P.O. Box 13025  
Austin, Texas 78711-3025  
(512) 322-2061 (Fax);

(2) Chief Clerk  
Texas Department of Insurance  
P.O. Box 149104, MC112-2A  
Austin, Texas 78714-9104  
(512) 490-1064 (Fax)  
chiefclerk@tdi.texas.gov; and

(3) Amanda Atkinson Cagle, Staff Attorney  
Texas Department of Insurance  
Enforcement Division, MC110-1A  
P.O. Box 149104  
Austin, Texas 78714-9104  
(512) 490-1020 (Fax)  
amanda.cagle@tdi.texas.gov
Receiving Documents

The State Office of Administrative Hearings (SOAH) offers you the ability to receive service of orders and other documents issued by SOAH through email instead of by mail or fax. If you want to receive SOAH-issued documents by email, go to SOAH’s website, www.soah.texas.gov, click on the “E-Services” tab, then click the “Email Service” hyperlink, and follow the instructions.

NOTE: A request to receive SOAH-issued documents by email does not change the procedures you must follow to file documents with SOAH. The rules for filing documents and providing copies to all other parties in the case are described in SOAH’s Procedural Rules, which are available on SOAH’s website. Click the “Agency” tab, then click “Administrative Rules and Laws” to view SOAH’s Procedural Rules.

Important Security Notice

ALL VISITORS TO THE WILLIAM P. CLEMENTS BUILDING WITHOUT AN AGENCY OR DPS ISSUED ID CARD MUST PROVIDE THE BUILDING SECURITY OFFICER WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS DOCKET NUMBER AND RECEIVE A VISITOR’S PASS IN ORDER TO BE ALLOWED ACCESS TO THE HEARING ROOM. INDIVIDUALS SHOULD ALLOW ADDITIONAL TIME TO GO THROUGH THE SECURITY PROCESS.

If you have any questions, please contact me at the address or telephone number shown below.
Respectfully Submitted,

Amanda Atkinson Cagle  
State Bar No. 00783569  
Texas Department of Insurance  
Enforcement Division, MC110-1A  
P.O. Box 149104  
Austin, Texas 78714-9104  
(512) 676-6342 (Direct)  
(512) 490-1020 (Fax)  
amanda.cagle@tdi.texas.gov

ATTORNEY FOR THE PETITIONER  
TEXAS DEPARTMENT OF INSURANCE

Enclosure: Original Petition

cc; Leah Gillum, Deputy Commissioner, Enforcement Division, MC-110-1A  
Rachel Cloyd, Litigation Director, Enforcement Division, MC-110-1A  
Administrative Review, MC107-1A
CERTIFICATE OF SERVICE

I, Amanda Atkinson Cagle, certify that a true and correct copy of the Notice of Hearing and the Original Petition were sent by certified mail, return receipt requested, and by email on this 12th day of August, 2020 to:

Clarence W. Palmer
NIS Insurance Service Inc
PO Box 1011
Ridgeland, Mississippi 39158-1011

Clarence W. Palmer
NIS Insurance Service Inc
205 Moore St
Terrell, Texas 75160

Clarence W. Palmer
NIS Insurance Service Inc
7048 Old Canton Road
Ridgeland, Mississippi 39157-1008

Clarence W. Palmer
Via Email: laccecinc@yahoo.com
Via Email: cpalmer@neighborhoodinsuranceservice.com

Amanda Atkinson Cagle
The Texas Department of Insurance seeks to take disciplinary action against Clarence W. Palmer and NIS Insurance Service Inc. In support of this petition, the department makes the following allegations upon information and belief:

**Jurisdiction**

The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4003.007, 4005.101-4005.102, 4005.107, 4051.051, and 4054.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.

**Factual Allegations**

**Licensure and Background**

1. Clarence W. Palmer (Palmer) holds a general lines agent license with both a life, accident, health and HMO qualification and a property and casualty qualification issued by the department on February 7, 2006. On July 31, 2020, Palmer’s general lines license expired. However, under TEX. INS. CODE § 4003.007, Palmer may still attempt to renew his license at this time.

2. NIS Insurance Service Inc. (NIS) holds a general lines agency license with a property and casualty qualification issued by the department on February 16, 2016. TDI records show that NIS operated under a previous name, Neighborhood Insurance Services.
3. Palmer is the designated responsible licensed person for NIS, as well as the sole owner and president of NIS.

Four Unreported Administrative Actions Taken in Mississippi

4. On or about December 2, 2008, in Cause No. 08-5806, Palmer was the subject of an administrative action taken against him by the Mississippi Insurance Department (Mississippi). Mississippi found that Palmer had submitted an insurance policy application for an applicant more than six months after she passed away, and assessed a fine of $1,000 against Palmer.

5. On or about November 17, 2014, Palmer and NIS were the subjects of second administrative action taken by Mississippi. In this action, entitled “Voluntary Surrender of License and Consent to Administrative Penalty,” Palmer and NIS agreed that:
   
   a. Palmer would voluntarily surrender his Mississippi insurance agent license;
   b. NIS would serve a one year probation;
   c. Palmer would pay a fine of $1,000;
   d. NIS would establish a separate banking account for client premiums;
   e. Palmer and NIS would jointly and severally reimburse the following entities and provide evidence of payment to Mississippi:
       i. Imperial Premium Finance Company in the amount of $2,700.59; and
       ii. Premium Assignment Corporation in the amount of $2,893.01;
   f. NIS would appoint and document a new designated responsible party of record with Mississippi; and
   g. NIS would promptly reimburse its clients any and all improperly charged agency fees and provide evidence of such payment to Mississippi.

6. Less than a year later, on or about April 13, 2015, Palmer was the subject of a third administrative action taken by Mississippi. This action resulted in issuance of a cease and desist order against him for engaging in the business of insurance in Mississippi without a license.

7. On or about February 3, 2016, Palmer was the subject of a fourth administrative action taken by Mississippi. In this action, Mississippi denied his license application and found that Palmer violated the November 17, 2014, consent agreement and
that he engaged in the business of insurance without a license, including that Palmer:

a. failed to pay the $1,000 administrative fine;
b. failed to reimburse Imperial Premium Finance Company $2,700.59;
c. failed to reimburse Premium Assignment Corporation $2,893.01;
d. failed to reimburse clients improperly charged agency fees; and
e. engaged in the business of insurance without a license.

8. Palmer failed to inform the department of any of these administrative actions taken by Mississippi.

Legal Allegations

1. Palmer and NIS have committed acts for which a license holder may be disciplined under TEX. INS. CODE §§ 4005.101, 4005.102, and 4005.107.

2. Palmer and NIS have willfully violated an insurance law of this state, in violation of TEX. INS. CODE § 4005.101(b)(1).

3. Palmer did not notify the department of the administrative actions taken against him by the Mississippi Insurance Department, an insurance regulator of another state, in violation of TEX. INS. CODE § 4001.252(a)(3).

4. Palmer and NIS engaged in fraudulent or dishonest acts or practices, in violation of TEX. INS. CODE § 4005.101(b)(5).

Relief Sought

If one or more of the above allegations is found to be true, the department asks the Administrative Law Judge to enter a Proposal for Decision recommending that the Commissioner of Insurance issue an order:

1. revoking Palmer’s license;
2. revoking NIS’s license; and
3. imposing any other just and appropriate relief to which the department may be entitled to by law, including any combination of the above actions.
Respectfully Submitted,

Amanda Atkinson Cagle  
State Bar No. 00783569  
Texas Department of Insurance  
Enforcement Division, MC110-1A  
P.O. Box 149104  
Austin, Texas 78714-9104  
(512) 676-6342 (Direct)  
(512) 490-1020 (Fax)  
amanda.cagle@tdi.texas.gov

ATTORNEY FOR THE PETITIONER  
TEXAS DEPARTMENT OF INSURANCE
**Note to Mailing:** The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

**A. Mailing Action**

**Shipment Confirmation Acceptance Notice**

- **Shipment Date:** 08/12/2020
- **Shipped From:**
  - **Name:** MC 110-1A M RUIZ
  - **Address:** 333 GUADALIPE ST
  - **City:** AUSTIN
  - **State:** TX  ZIP+4®  78701

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*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.*

**B. USPS Action**

**Note to RSS Clerk:**
1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

**USPS SCAN AT ACCEPTANCE**

9275 0901 1935 6200 0023 5119 26

**RECEIVED**

AUG 17 2020

TDI - ENFORCEMENT

CAGLE/24318 AND 24319

PS Form 5630, September 2016  PSN 7530-08-000-4335

EXHIBIT C
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**RECEIVED**

AUG 17 2020

TDI - ENFORCEMENT

Total Number of Pieces Listed by Sender: 3
Total Number of Pieces Received at Post Office: 3

Postmaster, Per (Name of receiving employee): 

Complete in ink

Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy.