



## MISSISSIPPI INSURANCE DEPARTMENT

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**MIKE CHANEY**  
Commissioner of Insurance  
State Fire Marshal

**MARK HAIRE**  
Deputy Commissioner of Insurance

**RICKY DAVIS**  
State Chief Deputy Fire Marshal

### STATE OF MISSISSIPPI OFFICE OF THE COMMISSIONER OF INSURANCE

### IN THE MATTER OF GERRI LYNN SIMMONS INSURANCE PRODUCER LICENSE # 9204300

#### ADMINISTRATIVE ORDER

**THIS CAUSE** came on for hearing before the Commissioner of Insurance of the State of Mississippi (“Commissioner”), by and through his specially designated appointee (“Hearing Officer”), in the offices of the Commissioner, 10th Floor, Woolfolk State Office Building, 501 North West Street, Jackson, Mississippi on Tuesday, October 29, 2019, at 3:00 p.m., pursuant to the Notice of Hearing and Statement of Charges mailed to GERRI LYNN SIMMONS (“Respondent”), Insurance Producer License #9204300. The Commissioner, by and through the designated Hearing Officer, Daniel Bradshaw, Senior Attorney, having heard and considered all of the testimony and evidence produced by the parties herein, makes the following findings:

#### AUTHORITY

The hearing herein was held pursuant to the provisions of Miss. Code Ann. § 83-17-51, et seq. (Rev. 2011 & Supp. 2017), providing for the licensing of insurance producers by the Mississippi Insurance Department (“MID”), and specifically under Miss. Code Ann. § 83-17-71 (Supp. 2017), providing for disciplinary actions against producers.

#### NOTICE AND HEARING

1. A Notice of Hearing and Statement of Charges (“Notice”) was sent to the Respondent via certified mail, return receipt requested, on or about October 24, 2019, at the address she provided to MID. (Exhibit S-1)
2. Per Respondent’s request and pursuant to said Notice, it was agreed by all parties to schedule the hearing for Tuesday, October 29, 2019, at 3:00 p.m.

3. MID called two witnesses, MID Director of Investigations John Hornback and AmFed Senior Premium Auditor Kevin Killough.
4. Respondent was present for the hearing, called no witnesses, but did offer testimony on her own behalf.

### **FINDINGS OF FACT**

1. On August 29, 2018 a complaint was filed with the Department by Kevin Killough, Senior Premium Auditor, AmFed, against Respondent. This complaint stated that while conducting a worker's compensation insurance audit of one of AmFed's assigned risk insurance policies, it was discovered that AmFed was presented with two invalid certificates of insurance. (Exhibit S-2)
2. AmFed Senior Premium Auditor Kevin Killough testified that he was presented with two certificates of insurance that were invalid. Mr. Killough testified that he was presented a certificate from Kennard Farms Trucking, LLC that showed the insurance carrier as "Accident Insurance Company" with a policy term of 5/31/18 – 5/31/19, a policy number of WC7705237, and had no certificate holder listed. The certificate was signed by the Respondent, Lynn Simmons. (Exhibits S-2 and S-4)
3. Mr. Killough testified that he received another certificate of insurance presuming to show proof of coverage for Victor Collins D/B/A Collins Transportation. This certificate was sent via email from the Respondent's insurance agency, Central Insurers of Grenada, Inc. The certificate did not list an insurance carrier on the form. The certificate had a policy term of 12/27/17 – 12/27/18, policy number WC65925900, showed M&M Logging as the certificate holder, and was signed by the Respondent, Lynn Simmons. (Exhibits S-2 and S-4)
4. Mr. Killough testified that he tried to verify both certificates of insurance through the Workers Compensation Commission website under the proof of coverage section but determined that no coverage existed. (Exhibit S-2)
5. Killough further testified that due to the fraudulent certificates of insurance, their insured M&M Logging was billed an additional premium of \$3,673 based on payments made to the businesses associated with the certificates. (Exhibit S-2)
6. On 8/23/18, AmFed received a payment from Central Insurers of Grenada on behalf of M&M Logging in the amount of \$3,673. (Exhibit S-2)
7. MID Director of Investigations John Hornback testified that after investigating the complaint, he reached out to the Respondent via email and asked for a full written explanation concerning the complaint. Ms. Simmons responded by saying that she "misinterpreted some information I had heard/seen about workers compensation coverage (businesses with less than 5 employees were not required to carry workers compensation coverage) and I thought this would suffice temporarily until I could find a program for owner operators that would be

more cost effective than assigned risk. I now know this was not the correct way to handle the situation while completing the application process.” (Exhibit S-3)

8. Hornback responded via email asking how these certificates could have been issued by mistake when they were clearly bogus. Ms Simmons responded via email stating “Yes sir I do understand this now. The insured advised they were the only employee and they understood **there was no coverage provided** as they were excluded as the owner.” (Exhibit S-3)

### **CONCLUSIONS OF LAW**

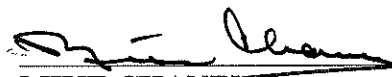
Respondent violated Miss. Code Ann. § 83-17-71(1)(h) (Supp. 2017) by “using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.” This violation subjects the Respondent to the various disciplinary actions set forth in Miss. Code Ann. § 83-17-71 (Supp. 2017).

### **ORDER**

**IT IS, THEREFORE, ORDERED** that the Respondent’s Insurance Producer License #9204300 be revoked for a period of one (1) year beginning at the effective date of this order.

**IT IS FURTHER ORDERED** that the Respondent is hereby **FINED** One Thousand Dollars (\$1,000.00), which shall be payable to the Mississippi Insurance Department within 30 days from the date of this ORDER.

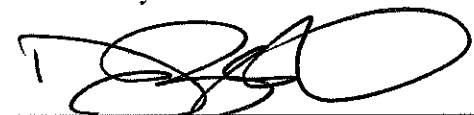
**SO ORDERED**, this the 12<sup>th</sup> day of December, 2019.

  
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**MIKE CHANEY**  
**COMMISSIONER OF INSURANCE**  
**STATE OF MISSISSIPPI**

Prepared by:

  
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**PHILLIPS STRICKLAND**  
**SENIOR ATTORNEY**

Submitted by:

  
\_\_\_\_\_  
**DANIEL BRADSHAW**  
**SENIOR ATTORNEY**