

**STATE OF MISSISSIPPI
OFFICE OF THE COMMISSIONER OF INSURANCE**

IN RE: JIMMY C. BRUCE **CAUSE NUMBER: 19-7474**
LICENSE NUMBER: 103753
WORKERS INSURANCE AND FINANCIAL GROUP
LICENSE NUMBER: 15005346

FINDINGS OF FACT AND ORDER OF REVOCATION

THIS CAUSE came on for hearing before the Commissioner of Insurance of the State of Mississippi (hereinafter “Commissioner”), by and through his specially designated appointee, (hereinafter “Hearing Officer”), in the Offices of the Mississippi Department of Insurance (hereinafter “Department”), 501 North West Street, Jackson, Mississippi 39201, North Conference Room (Room Number 1049), on Thursday, December 5, 2019, at 10:00 a.m. This hearing was held pursuant to a Notice of Hearing and Statement of Charges mailed to Jimmy C. Bruce and Workers Insurance and Financial Group (hereinafter “Respondents”) on November 15, 2019, which continued the hearing previously scheduled for November 19, 2019, at the Respondents’ request due to family illness. The initial Notice of Hearing and Statement of Charges was sent to the Respondents by Certified United States Mail, Regular First Class Mail, and Email on October 16, 2019. The Commissioner, by and through the designated Hearing Officer, having heard and considered all of the testimony and evidence produced by the parties herein, makes the following findings:

AUTHORITY

The hearing was held pursuant to the provisions of *Mississippi Code Annotated*, § 83-17-51, *et seq.* (2002), providing for the licensing of insurance producers by the Mississippi Insurance Department (“MID” or “Department”), and specifically under *Mississippi Code Annotated*, § 83-17-71(1) (Supp. 2019), providing for disciplinary actions against insurance producers.

NOTICE AND HEARING

1. A Notice of Hearing and Statement of Charges (“Notice Letter”) was sent by certified mail, return receipt requested, regular United States Mail, and by email to Jimmy C. Bruce and Workers Insurance and Financial Group on October 16, 2019, at the home and business addresses they provided to the MID. This Notice scheduled the hearing date for November 19, 2019.
2. On November 15, 2019, at approximately 3:35 pm., Christie Pizzio, Office Manager in Vicksburg, Mississippi, for The Bruce Agency sent an email to the Department advising that Mr. Bruce was dealing with a medical matter which prevented his presence at the hearing scheduled for November 19, 2019. As a result of this medical emergency, the Department provided email notice to the Respondents confirming that the hearing would be continued and was in fact rescheduled for December 5, 2019. This email was confirmed by formal letters sent via United States regular mail, by United States certified mail, return receipt requested, and by email to the Respondents. Thus, the Respondents were provided proper service of process/notice of the continued hearing date.
3. Pursuant to the aforementioned second Notice Letter, the hearing was scheduled for Thursday, December 5, 2019, at 10:00 a.m.

FINDINGS OF FACT

1. A complaint was filed with the MID on September 5, 2018, by Kevin Killough, senior premium auditor with AmFed National Insurance Company (hereinafter “AmFed”). This complaint informed the Department that a suspected invalid certificate of insurance was received by Deep South Custom Homes, LLC (hereinafter “Deep South”) an insured client of AmFed, from Juventino Ruiz, a framing subcontractor to Deep South. This suspected invalid certificate of insurance was provided by Jimmy C. Bruce, while employed as an agent at The Bruce Agency, which holds no license from the MID, and Workers Insurance and Financial Group, to Juventino Ruiz, who operated his construction/house framing business as Rincon Construction.
2. The complaint resulted from AmFed conducting a routine yearly workers compensation insurance audit on Deep South, one of its insured clients. In the process of performing this audit, AmFed believed it had been presented an invalid certificate of insurance that was provided by The Bruce Agency/Workers Insurance and Financial Group to AmFed’s insured, Deep South.
3. The Certificate of Insurance indicated that the producer was Workers Insurance & Financial Group, which has the same physical address as the Bruce Agency. Workers Insurance and Financial Group is the licensed name of the Respondent’s insurance agency. However, Respondent Bruce is doing business as The Bruce Agency, which does not hold any license from the MID.
4. The provided Certificate of Insurance contained the following errors:
 - a. The policy number was BR 542017, which is not a valid policy number.
 - b. The policy dates of 5/102017 through 5/10/2018 were incorrect.

- c. The listed insurance carrier was NCCI; however NCCI is not a workers compensation insurance carrier or an insurance carrier at all. NCCI is the National Council on Compensation Insurance, which is a source for information related to workers compensation coverage.
 - d. The issuance date of the Certificate of Insurance was February 3, 2017, which is three (3) months prior to the policy effective date of May 10, 2017.
 - e. There was no certificate holder listed on the Certificate of Insurance.
5. Upon discovery that the Certificate of Insurance was indeed invalid, further investigation into the matter was undertaken by Chris McMillan, who is the employee at Anderson-Druey Accounting assigned to its client Deep South. Deep South is owned by Brian Berkley and its business is the construction of homes (primarily custom homes). Written correspondence and verbal telephone conferences occurred between Mrs. McMillan, Brian Berkley, and representatives of the Respondents. These written and verbal communications did not provide an answer to how the invalid certificate of insurance was provided to Juventino Ruiz, a framing subcontractor to Deep South/Brian Berkley.
6. Ultimately, AmFed had to charge Deep South an additional premium in the amount of \$43,427.00, based upon a total exposure amount of \$176,231.00 that was paid by Deep South to Juventino Ruiz/Rincon for work performed during the policy period July 1, 2017 through July 1, 2018.
7. The MID sent a letter dated September 6, 2018, to Respondent Bruce requesting a full explanation regarding these matters. On September 19, 2018, Respondent Bruce informed the Department that he was unable to give a full explanation at the time.

8. On September 26, 2018, Respondent Bruce did provide additional information to the MID; however, this information was determined to be inaccurate and, in fact, false.
9. Testimony was given at the hearing by the following witnesses: Kevin Killough, senior premium auditor for AmFed; Chris McMillan, employee at Anderson-Druey Accounting who is assigned to Deep South's account; Brian Berkley, owner of Deep South; Mike Richardson, Vice-President and Chief Underwriting Officer for AmFed; and Jimmy C. Bruce. The testimony of these witnesses confirmed that Deep South was billed and is paying the additional \$43,427.00 premium assessed by AmFed due to Deep South's subcontractor (Juventino Ruiz/Rincon Construction) not having any workers compensation insurance through no fault of Juventino Ruiz or Rincon Construction, that AmFed has continuing and unlimited liability for an indefinite period of time for workers compensation claims yet to be made by employees of its insured's subcontractor (Juventino Ruiz/Rincon Construction), and that the Respondents had no credible explanation for the issuance of the invalid certificate of insurance to Juventino Ruiz/Rincon Construction.
10. That the Respondent Jimmy C. Bruce, who also appeared on behalf of the Respondent Workers Insurance and Financial Group, was evasive in responding to the most questions at the Hearing, was uncooperative with the MID in attempting to determine what may have occurred at The Bruce Agency that resulted in the issuance of an invalid certificate of insurance, and acted with disrespect toward the MID's Hearing Officer and others at the Hearing.

CONCLUSIONS OF LAW

1. The Respondents, Jimmy C. Bruce and Workers Insurance and Compensation Group, are in violation of the following provisions of *Mississippi Code Annotated*, § 83-17-71(1) (Supp. 2019):
 - (b) Violating any insurance laws, or violating any regulation, subpoena or order of the commissioner or of another state's commissioner;
 - (d) Improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business;
 - (e) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;
 - (h) Using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere; and
2. These violations subject the Respondents to the various disciplinary actions set forth in *Mississippi Code Annotated*, § 83-17-71 (Supp. 2019); specifically, the Commissioner may revoke their insurance producer licenses and may level a civil penalty against them in the amount of \$1,000.00 per violation.

ORDER

IT IS, THEREFORE, ORDERED AS FOLLOWS: That the insurance producer licenses of Jimmy C. Bruce and Workers Insurance and Financial Group are hereby revoked. That both Respondents are assessed an administrative penalty in the amount of one thousand dollars (\$1,000.00) for each of the four (4) violations of the above outlined insurance laws of the State of

Mississippi. That the Respondents shall pay the total fine of four thousand dollars (\$4,000.00) each, which amounts shall be payable to the Mississippi Department of Insurance, on or before the 30th day following the date of this Order.

SO ORDERED, this the 5th day March 2020.


MIKE CHANEY
COMMISSIONER OF INSURANCE

PRESENTED BY:


Linda Baggett Boozer
Special Assistant Attorney General *lbs*