



# LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON  
COMMISSIONER

**NOTICE OF FINE**  
**PELICAN CREDIT COMPANY**  
**LDI #213756**

July 1, 2019

Pelican Credit Company  
Attn: Mr. Lance David  
P.O. Drawer 70 / 110 S. State St.  
Abbeville, LA 70511-0070

Certified Mail/Return Receipt Requested  
Article No.: 7016 0910 0000 3977 5809

Via Email:  
lancedavid@deepsouthfinance.com

Dear Mr. Lance David:

The Louisiana Department of Insurance (LDI) through a market conduct examination conducted from December 19, 2018 to June 14, 2019, discovered Pelican Credit Company (LDI #213756) has been conducting the business of insurance in the State of Louisiana as a producer agency without the required licensure. Documentation and information revealed that Bankers Life of America and Lyndon Southern Insurance Company, admitted insurers with active certificates of authority with the LDI, sold Louisiana policies of insurance to residents of Louisiana utilizing Pelican Credit Company to solicit, sell, negotiate and effect contracts of insurance issued by Bankers Life of America and Lyndon Southern Insurance Company when Pelican Credit Company held no license to conduct the business of insurance, nor was appointed by Bankers Life of America and Lyndon Southern Insurance Company as required pursuant to the Louisiana Insurance Code.

Documentation provided to the LDI by Bankers Life of America indicates Pelican Credit Company solicited, sold, negotiated and/or effected six thousand eight hundred and twenty-seven (6,827) policies for Lyndon Southern Insurance Company and was paid two hundred and eighty-five thousand two hundred and forty-five dollars and eighty-five cents (\$285,245.85) in commissions for the sale of those policies.

Additionally, the documentation further indicates Pelican Credit Company solicited, sold, negotiated and/or effected six thousand seven hundred and twenty-nine (6,729) policies for Lyndon Southern Insurance Company, and was paid commissions for those policies of insurance in the amount of two hundred and twenty-two thousand nine hundred and twenty-nine dollars and eight cents (\$222,929.08).

LDI issued a Notice of Proposed Action on January 23, 2019, to Pelican Credit Company in accordance with La. R.S. 49:961 due to the violations of the Louisiana Insurance Code. Lance David of Pelican Credit Company responded via email on February 4, 2019 to the Notice. The response indicated that while Pelican Credit Company intended to obtain a license to conduct the business of insurance with the LDI as a producer, it was never finalized due to a clerical error, and Pelican Credit Company was in the process of obtaining licensure through a current application with the LDI while ceasing offering credit insurance programs while the LDI reviews its application.

The Louisiana Insurance Code, Title 22, R.S. 22:1 et seq. at §2. states:

**§2. Insurance regulated in the public interest.**

- A. (1) Insurance is an industry affected with the public interest and it is the purpose of this Code to regulate that industry in all its phases. [I]t shall be the duty of the commissioner of insurance to administer the provisions of this Code.

La R.S. 22:18 states in pertinent part:

**§18. Suspension or revocation of insurers' licenses; fines; orders**

- A. The commissioner of insurance may, as a penalty, in accordance with R.S. 49:961, refuse to renew, or may suspend, or revoke the certificate of authority or license of any insurer, person, or entity violating any of the provisions of this Code, or in lieu of suspension or revocation of a certificate or license duly issued, the commissioner may levy a fine not to exceed one thousand dollars for each violation per insurer, person, or entity, up to one hundred thousand dollars aggregate for all violations in a calendar year per insurer, person, or entity, when such violations warrant the refusal, suspension, or revocation of such certificate or license, or the imposition of the fine....

These actions are designed to assist the Commissioner in administering the provisions of the Insurance Code.

La. R.S. 1543 maintains in pertinent part:

**§ 1543. License Required**

- A. No person shall act as or hold himself out to be an insurance producer unless licensed by the Department of Insurance.
- B. No insurance producer shall sell, solicit, make an application for, procure, negotiate for, or place for others, any policies for any lines of insurance as to which he is not then qualified and duly licensed in this state.

La. R. S. 1557 maintains in pertinent part:

**§ 1557. Commissions**

- A. (2) No person or business entity other than a person or business entity duly licensed by the Department of Insurance as an insurance producer shall accept an commission, service fee, brokerage, or other valuable consideration for selling, soliciting, or negotiating insurance in this state.

La. R. S. 1558 maintains in pertinent part:

**§ 1558. Appointments**

- A. (1) An insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer except for surplus lines policies placed through licensed surplus lines brokers, surplus lines policies placed with unauthorized insurers by licensed surplus lines brokers, and workers' compensation policies placed with the Louisiana Workers' Compensation Corporation.

La. R. S. 1562 maintain in pertinent part:

**§ 1562. Prohibited acts**

- C. (1) It shall be unlawful for any person or business entity, without conforming to the provisions of this Part, directly or indirectly, to represent himself or itself to be an insurance producer or limited lines producer, or to solicit, negotiate, or effect any contract of insurance or renewal thereof, or to attempt to effect the same on any property, or risk of insurable interests or business activities, located within or transacted within this state.

**VIOLATIONS**

An entity acting as a licensed producer while soliciting, selling, negotiating or effecting policies of insurance without the required licensure or appointments, and receiving commissions for the unlicensed activity when a license is required, is a violation of La. R.S. 22:1543(A) and (B), La. R.S. 22:1557(A)(2), La. R.S. 22:1558(A)(1), and La. R.S. 22:1562(C)(1).

**BE ADVISED:**

**COMMISSIONER'S ACTION:**

Due to the information and documentation in the possession of the LDI, The Commissioner of Insurance, in accordance with La. R. S. 22:18, hereby imposes a **FINE of seventy thousand dollars** (\$70,000.00) on LDI number **213756** issued to **Pelican Credit Company**, and you are hereby ordered to pay the fine immediately.

**YOUR ACTION:**

Be advised that this constitutes an administrative action and that it will be reported to the National Insurance Producer Registry. You may need to report this administrative action to other states in which you hold an active license. Contact that state's insurance department if you are unsure of their requirements.

Please remit your \$70,000.00 fine payment and a copy of this notice to:

Louisiana Department of Insurance  
Attn: Accounts Receivable  
P.O. Box 94214  
Baton Rouge, LA 70804-9214

Pursuant to La. R.S.22:2191(A)(2) any person aggrieved by an act of the Commissioner may request a hearing within thirty days of receipt of notice of such act. You must make a written demand for an appeal within thirty (30) days from the date of this notice. Failure to file a written demand for an appeal within thirty (30) days from the date of this notice will preclude your right to an administrative hearing. Pursuant to La. R.S. 22:2191(B), your written demand for an appeal (1) shall reference the particular sections of the statutes and rules involved; (2) shall provide a short and plain statement of the matters asserted for review; and (3) shall attach a copy of the order or decision that you are appealing. Your written demand for an appeal shall be filed with the Louisiana Department of Insurance at the address below:

Louisiana Department of Insurance  
Attn: Liz Butler, Executive Counsel  
P. O. Box 94214  
Baton Rouge, LA 70804-9214

Telephone: (225) 342-4673  
Fax: (225) 342-1632

File in Person at:  
1702 N. Third Street  
Baton Rouge, LA 70802

Signed in Baton Rouge, Louisiana this 1<sup>st</sup> day of July 2019.

JAMES J. DONELON  
COMMISSIONER OF INSURANCE  
STATE OF LOUISIANA

BY:



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Matthew Stewart  
Deputy Commissioner  
Divisions of Fraud & Enforcement  
Louisiana Department of Insurance  
Telephone: (225) 219-5819

**CERTIFICATE OF SERVICE**

Article No.: 7016 0910 0000 3977 5809

I hereby certify that I have this day served the foregoing document upon Pelican Credit Company by mailing a copy thereof properly addressed with postage prepaid, this 1<sup>st</sup> day of July 2019.

  
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Ashleigh Harrison