



STATE OF TENNESSEE  
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE INSURANCE DIVISION, )  
)  
Petitioner, ) APD No.: 12.01-236908J  
)  
v. ) MATTER No.: 19-00252  
)  
TYLER GREGORY COVINGTON, )  
)  
Respondent. )

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AGREED ORDER

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The Insurance Division of the Tennessee Department of Commerce and Insurance (“Division”) and Tyler Gregory Covington (“Respondent”) hereby stipulate and agree to the entry and execution of this Agreed Order, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”) as follows:

**GENERAL STIPULATIONS**

1. It is expressly understood that this Agreed Order is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry and execution of an order by the Commissioner.
2. This Agreed Order is executed by the parties for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Agreed Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.
3. The Respondent fully understands that this Agreed Order will in no way preclude

additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Agreed Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. The Respondent fully understands that this Agreed Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for alleged violations of the law addressed specifically in this Agreed Order, violations of law under statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the entry and execution of this Agreed Order by the Respondent.

5. The Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of this Agreed Order, the stipulations and imposition of discipline contained herein, and the consideration and entry and execution of said Agreed Order by the Commissioner.

#### **AUTHORITY AND JURISDICTION**

6. The Commissioner has jurisdiction of this action pursuant to the Tennessee insurance law, Title 56 of the Tennessee Code Annotated (“Tenn. Code Ann.”), specifically Tenn. Code Ann. §§ 56-1-103 and 56-6-112 (the “Law”). The Division is the lawful agent through which the Commissioner discharges this responsibility.

#### **PARTIES**

7. The Commissioner administers the Law through the Division and authorizes the Division to bring this action for the protection of the public.

8. Tyler Gregory Covington (“Respondent”) is a licensee of the Division who is responsible for being compliant with the insurance laws, rules, and regulations of the State of

Tennessee. At all times relevant hereto, the Respondent held Tennessee resident insurance producer license number 2297293, which has an expiration date of April 30, 2023.

9. The Respondent is a Tennessee resident with an address of record filed with the Division of 2325 Janeview Drive, Chattanooga, Tennessee 37241.

### **STATEMENTS OF FACT**

10. At all relevant times hereto, the Respondent was working in the insurance business as an agent for Columbian Life Insurance Company (“Columbian”).

11. As an insurance producer licensed in Tennessee, the Respondent had an obligation to not violate a law, rule, regulation, subpoena, or order of the Commissioner or of another state’s commissioner.

12. As an insurance producer, the Respondent is responsible for the proper completion and submission of insurance policy claims made on his own behalf or for others.

13. On April 20, 2018, the Financial Services Investigation Unit (“FSIU”) of the Division was notified by representatives of Columbian that the Respondent had been terminated.

14. Subsequent to the notification from Columbian of the involuntary termination of the Respondent, Inquisitorial Order number 18-028 was issued on July 2, 2018.

15. The investigation conducted by FSIU into the activities of the Respondent revealed the Respondent submitted false information on insurance applications.

16. FSIU interviewed the Respondent during the investigation. The Respondent advised that he sold whole life burial insurance to the senior market. The Respondent indicated that his primary market was between the ages of fifty-five (55) to eighty-five (85).

17. The Respondent’s customers typically suffered from Alzheimer’s or dementia.

18. Investigator Kelly Holleran (“Holleran”) conducted research for Columbian on the matter. Holleran discovered that at least thirty-four (34) insurance policies were set up using

incorrect bank information. The insurance policies started with bank information and then received a cash payment or multiple cash payments from the Respondent's advance activity summary.

19. Holleran's research discovered that the Respondent submitted applications for at least fourteen (14) fraudulent insurance policies. Some of the policies were duplicates and the listed home address of one customer was the address of a closed retail store.

20. The actions of the Respondent in each of the instances where duplicate applications were submitted, or applications were submitted for insurance coverage using incorrect or false addresses, constitute separate and distinct fraudulent and dishonest acts in violation of Tenn. Code Ann. § 56-6-112(a)(8).

### **CONCLUSIONS OF LAW**

21. At all times relevant hereto, Tenn. Code Ann. § 56-1-110(b) provides that:

(b)(1) The commissioner may, against any person, agency, or company licensed, registered, or permitted by or operating under a certificate of authority issued by the commissioner, or acting in an unlawful capacity that brings such person, agency, or company under the jurisdiction of the commissioner, assess the actual and reasonable costs of the investigation, prosecution, and hearing of any disciplinary action held in accordance with the contested case provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, part 3, in which sanctions of any kind are imposed on that person, agency, or company. These costs may include, but are not limited to, those incurred and assessed for the time of the prosecuting attorneys, investigators, expert witnesses, administrative judges, and any other persons involved in the investigation, prosecution, and hearing of the action.

...

(3)(A) All costs assessed pursuant to this section become final thirty (30) days after the date of a final order of assessment is served.

(B) If the individual or entity disciplined fails to pay an assessment when it becomes final, the commissioner may apply to the chancery court of Davidson County, which shall have jurisdiction over recovery of the costs, for a judgment and seek execution of the judgment

22. At all times relevant hereto, Tenn. Code Ann. § 56-6-112 has provided that:

(a) The [C]ommissioner may place on probation, suspend, revoke or refuse to issue or renew a license issued under this part or may levy a civil penalty in accordance with this section or take any combination of those actions, for any one (1) or more of the following causes:

...

(2) Violating any law, rule, regulation, subpoena or order of the [C]ommissioner or of another state's commissioner; [and]

...

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]

...

(e) The [C]ommissioner shall retain the authority to enforce this part and impose any penalty or remedy authorized by this part and this title against any person who is under investigation for or charged with a violation of this part or this title, even if the person's license has been surrendered or has lapsed by operation of law.

...

(g) If . . . the [C]ommissioner finds that any person required to be licensed, permitted, or authorized by the division of insurance pursuant to this chapter has violated any statute, rule or order, the [C]ommissioner may, at the [C]ommissioner's discretion, order:

(1) The person to cease and desist from engaging in the act or practice giving rise to the violation;

(2) Payment of a monetary penalty of not more than one thousand dollars (\$1,000) for each violation, but not to exceed an aggregate penalty of one hundred thousand dollars (\$100,000). This subdivision (g)(2) shall not apply where a statute or rule specifically provides for other civil penalties for the violation. For purposes of this subdivision (g)(2), each day of continued violation shall constitute a separate violation; and

(3) The suspension or revocation of the person's license.

- (h) In determining the amount of penalty to assess under this section, the [C]ommissioner shall consider:
- (1) Whether the person could reasonably have interpreted such person's actions to be in compliance with the obligations required by a statute, rule or order;
  - (2) Whether the amount imposed will be a substantial economic deterrent to the violator;
  - (3) The circumstances leading to the violation;
  - (4) The severity of the violation and the risk of harm to the public;
  - (5) The economic benefits gained by the violator as a result of noncompliance;
  - (6) The interest of the public; and
  - (7) The person's efforts to cure the violation.

### **ORDER**

**NOW, THEREFORE**, on the basis of the foregoing and the Respondent's waiver of the right to a hearing and appeal under the Law and the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondent's admission of jurisdiction of the Commissioner, the Commissioner finds that the Respondent, for the purpose of settling this matter, admits the Findings of Fact and agrees to the entry and execution of this Order.

**IT IS ORDERED**, pursuant to Tenn. Code Ann. § 56-6-112 of the Law, that:

23. The Respondent submit to **VOLUNTARY REVOCATION** of his Tennessee insurance producer license.

24. The Respondent shall be **BARRED** from applying for an insurance producer license in Tennessee and be barred from engaging in the business of insurance in Tennessee.

25. The Respondent shall **CEASE AND DESIST** from any activities requiring a license under Tenn. Code Ann. § 56-6-103.

26. The costs of this cause (to include the costs of the Administrative Procedures Division) be assessed against the Respondent pursuant to Tenn. Code Ann. § 56-1-110(b).

27. This Agreed Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against the Respondent for violations of the Law alleged by or currently known by the Division to have occurred with respect to the transactions involving the above-referenced facts contained herein.

28. This Agreed Order is in the public interest and in the best interests of the parties and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only.

29. By the signatures affixed below, the Respondent affirmatively states he has freely agreed to the entry and execution of this Agreed Order, that the Respondent waives the right to a hearing on the matters underlying this Agreed Order or the enforcement of this Agreed Order, and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made to him by the Commissioner, the Division, or any agent or representative thereof.

30. The parties, by signing this Agreed Order, affirmatively state their agreement to be bound by the terms of this Agreed Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Agreed Order, are binding upon them.

31. This Agreed Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

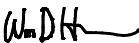
The facsimile, email, or other electronically delivered signatures of the parties shall be deemed

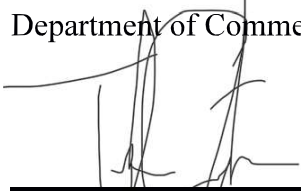
to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.


**ENTERED AND EXECUTED** \_\_\_\_\_, \_\_\_\_\_.

  
Carter Lawrence (Jan 9, 2024 13:18 CST)  
Carter Lawrence, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY AND EXECUTION:**

  
Bill Huddleston (Jan 9, 2024 08:44 CST)  
Bill Huddleston  
Assistant Commissioner for Insurance  
Department of Commerce and Insurance

  
Tyler G. Covington  
Respondent

  
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