



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON  
COMMISSIONER

**CEASE AND DESIST ORDER,**  
**SUMMARY SUSPENSION**  
**NOTICE OF REVOCATION AND FINE**  
**PRODUCER LICENSE #518668**

May 11, 2021

Leslie Claire Trahan  
193 Cravins Road  
Opelousas, LA 70570

Article # **7020 2450 0002 2091 6639**

Via Email: leslie\_trahan@yahoo.com  
lbelleau@msn.com

WHEREAS, IT HAS COME TO MY ATTENTION, as Commissioner of Insurance (Commissioner) of the Louisiana Department of Insurance (LDI), that Leslie Claire Trahan has violated certain provisions of the Louisiana Insurance Code, Title 22, La. R. S. 22:1 *et. seq.* As used hereinafter, “you” and “your” refer to Leslie Claire Trahan. Accordingly, pursuant to the power and authority vested in me as the Commissioner, issue this Order to Cease and Desist, Summary Suspension, Notice of Revocation and Notice of Fine based on the following, to wit:

Leslie Claire Trahan is an individual producer (License #518668) with a license date of August 23, 2010. Your license is currently active.

In December 2020, a review of your contracts was conducted by Funeral Directors Life Insurance Company (FDLIC) after discrepancies were found during the insured’s medical review process. FDLIC discovered a pattern where the physician’s office listed on the contracts did not recognize the insured as their patient. FDLIC also found several contracts where the insureds were deceased prior to submitting the application or the date of birth for the insured was changed to make your commissions higher. FDLIC discovered several cases of premiums being paid using “check by phone” from your account. FDLIC determined you accepted three thousand five hundred ninety dollars (\$3,590.00) in payments on the prearranged funeral contract for Lennese Mire (Contract #LA1402477) and you did not forward those payments to FDLIC.

On January 7, 2021, there was a meeting with you and representatives from FDLIC, Legacy Funeral Services (Legacy), and the Evangeline Parish Sheriff’s Office. The purpose of the meeting was to discuss concerns FDLIC and Legacy had regarding the findings of the in-depth review of the contracts you wrote. Mark Owen of FDLIC advised you the company had compelling evidence that your activities demonstrated insurance fraud. In that meeting you confessed to adjusting the age on the insurance applications. For the contracts that were issued after the insured was deceased, you said you did not know they were deceased. You admitted to obtaining the insureds names from leads, completing the applications for the insurance contracts, and

paying the premium out of your account. You also admitted to executing insurance applications for contracts where you signed both the purchaser and insured's names and paid the initial premium from your account. When you were asked what happened, you stated your husband had been in a wreck in 2020 and when the pandemic occurred it was hard to recover. You claimed this only affected contracts written that year.

At the conclusion of the meeting, you were notified you were terminated and no longer an agent for Legacy. Bill Wimberly of Legacy advised you he would delay filing criminal charges dependent upon your ability to repay the unearned commissions paid to you by the company in a timely manner.

On February 22, 2021, Legacy sent a letter notifying you of an outstanding balance of thirty-six thousand three hundred eighty-three dollars and eighty-three cents (\$36,383.83) owed to the company. The amount was the total overpayment of commissions paid to you at that time and the premiums owed for Contract #LA1402477. The letter directed you to submit the payment to Ardoin Funeral Home within thirty (30) days. On March 19, 2021, you submitted a cashier's check to Ardoin Funeral Home in the amount of \$36,383.83.

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

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

- (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 maintains in pertinent part:

**§18. Suspension or revocation of insurer's 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 an 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. The commissioner is also authorized to order any insurer, person, or entity to cease and desist any such action that violates any provision of this code.

Pursuant to La. R.S. 22:1554, the Commissioner is authorized to take certain regulatory actions against any person who is ...charged with a violation of this Part of Chapter 5, Producers and Other Regulated Entities Part I. Producers. These actions are designed to assist the Commissioner in administering the provisions of the Insurance Code.

La. R.S. 22:1554 maintains in pertinent part:

**§ 1554. License denial, nonrenewal, or revocation**

A. The commissioner may place on probation, suspend, revoke, or refuse to issue, renew, or reinstate an insurance producer license, or may levy a fine not to exceed five hundred dollars for each violation occurring, up to ten thousand dollars for each violation aggregate for all violations in a calendar year per applicant or licensee, or any combination of actions, for any one or more of the following causes:

(3) The failure to account for or remit any premiums, monies, or properties belonging to another which come into the possession of the applicant in the course of doing insurance business, or improperly withholding, misappropriating, converting, or failing to timely remit any premiums, monies, or properties received in the course of doing insurance business, whether such premiums, monies, or properties belonging to policyholders, insurers, beneficiaries, claimants, or others.

(4) Using fraudulent, coercive, or dishonest practices or misrepresentation, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business such as might endanger the public.

(5) Misrepresenting the terms of an actual or proposed insurance contract, binder, rider, plan, or application for insurance, including all forms or documents that are attached, or will be attached, to an actual or proposed insurance contract, binder, rider, plan, or application for insurance.

(6) Having admitted or been found to have committed any insurance unfair trade practice under R.S. 22:1961 et seq. or fraud under R.S. 22:1964 et seq.

(10) Forging another's name to an application for insurance or to any document related to an insurance transaction.

(14) The violation of any insurance laws of the United States, this state or any state, province, district, or territory, or violating any lawful rule, regulation, subpoena, or order of the commissioner of insurance or of the insurance officials of another state.

La. R.S. 22:1562 maintains in pertinent part:

**§ 1562. Prohibited acts**

D. (2) No person licensed as, or representing himself to be, an insurance producer shall fail to account for or remit any premiums, monies, or properties belonging to another which come into the possession of the applicant in the course of doing insurance business, or improperly withholding, misappropriating, converting, or failing to timely remit any premiums, monies, or properties received in the course of doing insurance business, whether such premiums, monies or properties belong to policyholders, insurers, beneficiaries, claimants, or other.

La. R.S. 22:1923 maintains in pertinent part:

**§ 1923. Definitions**

(2) "Fraudulent insurance act" shall include but not be limited to acts or omissions committed by any person who, knowingly and with intent to defraud:

(a) Presents, causes to be presented, or prepares with knowledge or belief that it will be presented to or by an insurer, reinsurer, purported insurer or reinsurer, producer, or any agent thereof, any oral or written statement which he knows to contain materially false information as part of, or in support of, or denial of, or concerning any fact material to or conceals any information concerning any fact material to the following:

(i) An application for the issuance of any insurance policy.

(iv) Premiums paid on any insurance policy.

(v) Payments made in accordance with the terms of any insurance policy.

La. R.S. 22:1924 maintains in pertinent part:

**§ 1924 Prohibited activities and sanctions**

A. (1) Any person who, with the intent to injure, defraud, or deceive any insurance company, or the Department of Insurance, or any insured or other party in interest, or any third-party claimant commits any of the acts specified in Paragraph (2) or (3) of this Subsection is guilty of a felony and shall be subjected to a term of imprisonment, with or without hard labor, not to exceed five years, or a fine not to exceed five thousand dollars, or both, on each count and payment of restitution to the victim company of any insurance payments to the defendant that the court determines was not owed and the costs incurred by the victim company associated with the evaluation and defense of the fraudulent claim, including but not limited to the investigative costs, attorney fees, and court costs. However, if the benefit pursued does not exceed one thousand dollars, the term of imprisonment shall not exceed six months, or the fine shall not exceed one thousand dollars, or both, on each count.

(2) The following acts shall be punishable as provided in Paragraph (1) of this Subsection:

(a) Committing any fraudulent insurance act as defined in R.S. 22:1923.

La. R.S. 22:1964 maintains in pertinent part:

## **§ 1964. Methods, acts, and practices which are defined as unfair or deceptive**

The following are declared to be unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

**(8) Rebates.** Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of insurance...or agreement as to such contract other than as plainly expressed in the contract issues thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement not specified in the contract; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance....

**(12)** Any violation of any prohibitory law of this state.

**(13) Fraudulent insurance act.** A fraudulent insurance act is one committed by a person who knowingly and with intent to defraud presents, causes to be presented, or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, producer, or any agent thereof, any written statement as part of, or in support of, or in opposition to an application for the issuance of, or the rating of an insurance policy for commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which he knows to contain materially false information concerning any fact material thereto; or conceal for the purpose of misleading information concerning any fact material thereto.

**(18) Misrepresentation in insurance application.** Making false or fraudulent statements or representations on or relative to an application for a policy, for the purpose of obtaining a fee, commission, money, or other benefit from any provider or individual person.

The Louisiana Insurance Code, Title 22, La. RS. 22:1 et seq., authorizes the Commissioner to investigate the affairs and professional conduct of every person engaged in the business of insurance to determine whether such person has been or is engaged in any unfair or deceptive act or practice prohibited by the Louisiana Insurance Code. It is determined that Leslie Claire Trahan has committed the violations of the Louisiana Insurance Code as listed above.

### **VIOLATIONS:**

While conducting insurance business in Louisiana as a licensed producer, the actions of including false information on or related to insurance applications, forging names on applications, receiving commissions on insurance policies based upon misrepresentative applications, withholding premium payments given to you, and paying premiums for insurance policies constitute violations of La. R.S. 22:1554(A)(3),(4),(5),(6), (10) and (14); La. R.S. 22:1562(D)(2); La. R.S. 22:1924(A)(2)(a) as defined by La. R.S. 22:1923 (2)(a)(i), (iv), and (v); and La. R.S. 22:1964(8), (12), (13), and (18).

**BE ADVISED:**

**COMMISSIONER'S ACTION:**

As a result of the investigation and documentation in possession of the LDI, and in accordance with La. R.S. 22:18, La. R.S. 22:1554(A), La. R.S.1969 and La. R.S. 49:961(C), determination has been rendered that you are in violation of the statutes listed above and the public health, safety, or welfare imperatively requires emergency action, therefore, you are a danger to the insurance buying public to such a degree that the Louisiana Commissioner of Insurance hereby orders you, **Leslie Claire Trahan**, to **CEASE AND DESIST** from conducting the business of insurance, and Louisiana Insurance Producer License Number **518668** is hereby **SUSPENDED** effective immediately.

Additionally, Louisiana Insurance Producer License Number **518668** issued to **Leslie Claire Trahan** is hereby **REVOKED** effective thirty (30) days from issuance of this Notice, and the Louisiana Commissioner of Insurance hereby imposes a **FINE** upon **Leslie Claire Trahan** in the amount of **four thousand dollars (\$4,000.00)** payable 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 the requirements.

Please remit your **\$4,000.00** fine payment and a copy of this notice to:

Louisiana Department of Insurance  
Attention: 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. 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 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. Appealing this notice does not stay the action of the Commissioner of Insurance. Pursuant to La. R.S. 22:2204 you must request and be granted a stay of this action by the Division of Administrative Law. Your request for a stay may be included in your appeal. Your written demand for an appeal shall be filed with the Louisiana Department of Insurance at the addresses below:

Leslie Claire Trahan  
Cease and Desist Order, Summary Suspension,  
Notice of Revocation and Fine  
Producer License #518668  
May 11, 2021  
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Louisiana Department of Insurance  
Attn: J. David Caldwell, 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 11<sup>th</sup> day of May 2021.

JAMES J. DONELON  
COMMISSIONER OF INSURANCE  
STATE OF LOUISIANA

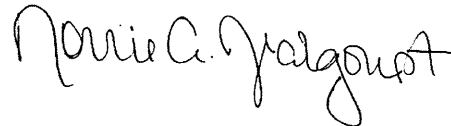
BY:

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

Leslie Claire Trahan  
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**CERTIFICATE OF SERVICE**  
Article # 7020 2450 0002 2091 6639

I hereby certify that I have this day served the foregoing document upon **Leslie Claire Trahan** by mailing a copy thereof properly addressed with postage prepaid, this 11<sup>th</sup> day of May 2021.



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Norrie A. Falgoust, Compliance Investigator