

SEP 4 2002

DEPT. OF INSURANCE
BY CB

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:

WILLIAM CHRISTOPHER HORTON,

Respondent.

No. 02A-134 - INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department"), has received evidence that William Christopher Horton ("Respondent") violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent William Christopher Horton ("Horton") is, and was at all material times licensed to transact life and disability and property and casualty insurance as an agent, Arizona license number 65326. This license expires July 31, 2004. Horton used the assumed business name of Protection Plus Insurance Agency without filing the required certificate of assumed business name with the Department.

2. On or about August 20, 1999, Horton was appointed by Central Reserve Life Insurance Company ("CRL"), a life and disability insurer authorized to transact insurance business in Arizona, as an insurance agent to solicit applications for health insurance. The contract between CRL and Horton prohibits Horton from publishing, distributing or using any circulars, advertising, sales material or other matters referring to CRL or its policies without prior written consent from CRL.

3. On or about December 26, 2000, Horton was appointed by PacifiCare of Arizona, Inc. ("PacifiCare") an authorized health care services organization in Arizona, as an insurance agent to

1 solicit applications for health insurance. The agreement between Horton and PacifiCare stated in part,
2 that "either party may use the other party's name, symbols, trademarks or other marks with prior written
3 approval of the other party."

4 4. On or about January 25, 2001, Horton was appointed by Health Net of Arizona, Inc.
5 ("Health Net"), formerly Intergroup of Arizona, Inc., an authorized health care services organization in
6 Arizona, to solicit applications for health insurance. The agreement between Horton and Health Net
7 contains a provision stating the "(b)roker shall not broadcast, publish, distribute, or otherwise make
8 available any advertisements, marketing materials, trademarks, tradenames, or other written, electronic,
9 or other forms of information referring to or regarding Benefit Contract or Plans without prior written
10 approval of Plans."

11 5. Arizona Foundation for Medical Care ("the Foundation") is a preferred provider
12 organization that contract with insurers, including CRL. Horton is not currently and has not at any
13 material time been contracted to represent the Foundation.

14 6. On April 9, 2001, the Department obtained an April 8, 2001 health insurance
15 advertisement via facsimile. Horton created the health insurance advertisement listing certain benefits
16 and sample premium rates including: "Wellness Care Incl.," "No Deductible RX," "Choice of 8,000
17 Doctors," "Choice of Any Hospital," "Mayo Clinic and Hospital," and "No Primary Care Doctor."

18 7. The advertisement included insurance company logos from CRL, PacifiCare and
19 Intergroup along with logos for the Foundation.

20 8. The advertisement did not identify the insurer providing the quoted benefits and
21 premiums.

22 9. The advertisement did not disclose any exceptions, restrictions or limitations.
23
24

1
2 **ORDER**

3 IT IS HEREBY ORDERED THAT:

4 1. Horton and his agents and employees shall immediately cease and desist from making,
5 publishing, disseminating, circulating or placing before the public any advertisement or statement with
6 respect to the business of insurance which is untrue, deceptive or misleading.

7 2. Horton shall pay a civil penalty of one thousand hundred dollars (\$1000) to the Director
8 payable upon the entry of this Order for remission to the State Treasurer for deposit in the State General
9 Fund.

10 3. The hearing in this matter currently set for September 10, 2002 at 9:00 a.m. before the
11 Office of Administrative Hearings is vacated.

12 DATED AND EFFECTIVE this 3rd day of September, 2002.

13
14 
15 _____
16 CHARLES R. COHEN
17 Director of Insurance

18 **CONSENT TO ORDER**

19 1. Horton has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.

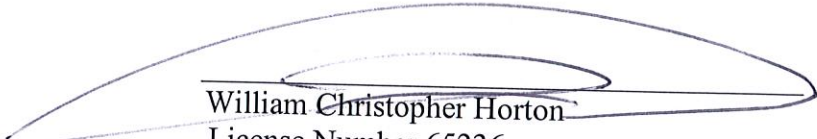
20 2. Horton admits the jurisdiction of the Director of Insurance, State of Arizona, and admits
21 the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and
22 Order.

23 3. Horton is aware of his right to notice and a hearing at which he may be represented by
24 counsel, present evidence and examine witnesses. Horton irrevocably waives his right to such notice
and hearing and to any court appeals relating to this Consent Order.

1 4. Horton states that no promise of any kind or nature whatsoever, except as expressly
2 contained in this Consent Order, was made to him to induce him to enter into this Consent Order and
3 that he has entered into this Consent Order voluntarily.

4 5. Horton acknowledges that the acceptance of this Consent Order by the Director is solely
5 to settle this matter against him and does not preclude any other agency, officer, or subdivision of this
6 state from instituting civil or criminal proceedings as may be appropriate now or in the future.

7
8 _____
9 Date

_____ 
10 William Christopher Horton
11 License Number 65236

12 COPIES of the foregoing mailed/delivered
13 this 4th day of September, 2002, to:

14 William Christopher Horton
15 ~~Protection Plus Insurance Agency~~
16 P. O. Box 34252
17 Phoenix, Arizona 85067

18 Constantino Flores, Administrative Law Judge
19 Office of Administrative Hearings
20 1400 West Washington, Suite 101
21 Phoenix, AZ 85007

22 Benchmark Insurance Company
23 6701 West 64th Street, Suite 125, Building 5
24 Shawnee Mission, KS 66202

Central Reserve Life Insurance Company
17800 Royalton Road, CRL Plaza
Strongsville, OH 44136

Central United Life Insurance Company
2727 Allen Parkway, 6th Floor
Wortham Tower
Houston, TX 77019

1 Conseco Medical Insurance Company
11815 North Pennsylvania Street
2 Carmel, IN 46032

3 Conseco Life Insurance Company
11815 North Pennsylvania Street
4 Carmel, IN 46032

5 Crusaders Insurance Company
23251 Mulholland Drive
Woodland Hills, CA 91364-2732

6

7 Forethought Life Insurance Company
Forethought Center
Batesville, IN 47006

8

9 Health Net of Arizona, Inc.
2800 North 44th Street, Suite 900
Phoenix, AZ 85008

10

11 Interstate Life Insurance Company
6609 North Scottsdale Road, Suite 202
Scottsdale, AZ 85253

12


13 Security Life Insurance Company of America
10901 Red Circle Drive
Minnetonka, MN 55343-9137

14

15 PacifiCare of Arizona, Inc.
410 N. 44th Street, 10th Floor
Phoenix, AZ 85008

16

17 Sara M. Begley, Deputy Director
Gerrie L. Marks, Executive Assistant for Regulatory Affairs
Mary Butterfield, Assistant Director
18 Scott Greenberg, Chief Operating Officer
Catherine M. O'Neil, Consumer Legal Affairs Officer
19 Arnold Sniegowski, Investigations Supervisor
Bob Hill, Investigator
20 Department of Insurance
2910 North 44th Street, Suite 210
21 Phoenix, Arizona 85018

22
23 
Curvey Walters Burton

24