

1 invites recipients to return the Medicare supplement inquiry card to find out about a plan
2 available in Arizona at "lower rates for residents over 65 years of age" and a plan that could
3 save the recipient "up to 50% on prescription drugs". A.A.R.P. is not an insurance company.
4 The advertisement does not identify the name of an insurer.

5 4. Respondent periodically arranged to have the Medicare Supplement
6 advertisements mailed directly to Arizona residents in order to obtain new business leads for
7 his producers. Respondent initiated the process by contacting Prospect Pros to order a
8 specified number of the advertisements. Prospect Pros then sent an e-mail to United
9 American Insurance Company, an authorized life and disability insurer, requesting approval of
10 the order. Respondent is the manager of United American's Phoenix agency office. United
11 American reviewed and approved the request and debited the cost of the mailing against the
12 agency denominated account established by United American for Respondent.

13 5. From April 4, 2002 through on or about July 26, 2002, Respondent arranged to
14 have the 2002 Medicare Alert flyers mailed to 88,652 Arizona residents at a cost of
15 \$33,392.37. None of the flyers identified the name of the insurer underwriting the Medicare
16 supplement insurance policies.

17 CONCLUSIONS OF LAW

18 1. The Director has jurisdiction over this matter.

19 2. Respondent's conduct constitutes the violation of any provision of this title or
20 any rule, subpoena or order of the director, within the meaning of A.R.S. §20-295(A)(2).

21 3. Respondent's conduct constitutes the failure to disclose the name of the
22 insurer, within the meaning of A.A.C. R20-6-201(L).

1 4. Grounds exist for the Director to suspend, revoke, or refuse to renew
2 Respondent's insurance licenses, impose a civil penalty and/or order restitution pursuant to
3 A.R.S. §§20-295(D) and 20-295(F).

4 **ORDER**

5 IT IS HEREBY ORDERED THAT:

6 1. Respondent and its agents and employees shall immediately cease and desist
7 from failing to disclose the name of the insurer in any advertising materials and from making,
8 publishing, disseminating, circulating or placing before the public any advertisement or
9 statement that fails to comply with A.A.C. R20-6-201.

10 2. Respondent shall pay a civil penalty of two thousand five hundred dollars
11 (\$2,500) to the Director payable upon the entry of this Order for remission to the State
12 Treasurer for deposit in the State General Fund.

13 DATED AND EFFECTIVE this 21st day of May, 2003.

14
15 
16 CHARLES R. COHEN
17 Director of Insurance

17 **CONSENT TO ORDER**

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

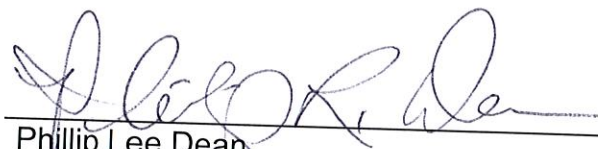
20 2. Respondent admits the jurisdiction of the Director of Insurance, State of
21 Arizona, and admits the foregoing Findings of Fact and consents to the entry of the foregoing
22 Conclusions of Law and Order.

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

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

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

12 5/10/03
13 Date


Phillip Lee Dean
License Number 668167

15 COPIES of the foregoing mailed/delivered
16 this 21st day of May, 2003, to:

17 John P. Flynn
18 Tiffany & Bosco
19 Fifth Floor Viad Tower
 1850 North Central Avenue
 Phoenix, Arizona 85004-4546
 Attorney for Respondent

20 United American Insurance Company
21 3700 South Stonebridge Drive
 P. O. Box 8080
 McKinney, TX 75070

1 Sara M. Begley, Deputy Director
Gerrie L. Marks, Executive Assistant for Regulatory Affairs
2 Catherine M. O'Neil, Consumer Legal Affairs Officer
Rebecca Sanchez, Licensing Administrator
3 Arnold Sniegowski, Investigations Supervisor
Bob Hill, Investigator
4 Arizona Department of Insurance
2910 North 44th Street, Suite 210
5 Phoenix, AZ 85018

6 
7 Curvey Walters Burton

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