

NOV 19 2004

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY CB

In the Matter of:)	
)	No. 04A- <u>179</u> - INS
DOUGLAS H. CUNDICK;)	
DHJ ENTERPRISES, INC.)	
)	CONSENT ORDER
Respondent.)	
_____)	

The State of Arizona Department of Insurance ("Department") has received evidence that Douglas H. Cundick and DHJ Enterprises, Inc. ("Respondents") violated provisions of Title 20, Arizona Revised Statutes. Respondents wishes to resolve this matter without the commencement of formal proceedings, and admit the following Findings of Fact are true and consent to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Douglas H. Cundick is, and was at all material times, licensed as a non-resident accident/health & life and property & casualty producer, Arizona license number 14258, which license expires December 31, 2005.

2. DHJ Enterprises, Inc., an Arizona corporation, is, and was at all material times, licensed as a resident. accident/health & life and property & casualty producer, Arizona license number 85053, which license expires November 30, 2005. Respondent Cundick is the owner/operator and president/director of respondent DHJ Enterprises, Inc.

3. On or about September 1, 2004, respondents disseminated a Medicare supplement insurance advertisement to approximately 400 residents in Maricopa and Pima Counties.

1 4. The advertisement fails to include the name of the insurer as required by and
2 defined in A.A.C. R20-6-201(L).

3 5. Respondents mailed the advertisement in an envelope with a return address
4 using the name "Medicare Health Benefits". Medicare Health Benefits, Inc. is an Arizona
5 resident licensed producer, Arizona license number 42767. Respondents are in no way
6 associated with Medicare Health Benefits, Inc. Respondents used the name of Medicare
7 Health Benefits on the return address portion of its envelope without the knowledge or
8 consent of Medicare Health Benefits, Inc.

CONCLUSIONS OF LAW

10
11 1. The Director has jurisdiction over this matter.

12 2. Respondent's conduct as described above constitutes the direct dissemination
13 before the public of a circular acting as an advertisement containing statements with respect
14 to the business of insurance which are deceptive or misleading, within the meaning of
15 A.A.C.R20-6-201(L) and A.R.S.20-444(A).

16 3. Respondent's conduct as described above constitutes the violation of any
17 provision of Title 20, or any rule, subpoena or order of the Director within the meaning of
18 A.R.S. §20-295(A) (2).

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

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23

1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

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

6 2. Respondent shall pay a civil penalty of One Thousand dollars (\$1,000) to the
7 Director payable upon the entry of this Order for remission to the State Treasurer for deposit
8 in the State General Fund.

9 DATED AND EFFECTIVE this 19th day of November, 2004.

10
11 
12 _____
CHRISTINA URIAS
Director of Insurance

13 **CONSENT TO ORDER**

14 1. Respondents have reviewed the foregoing Findings of Fact, Conclusions of Law
15 and Order.

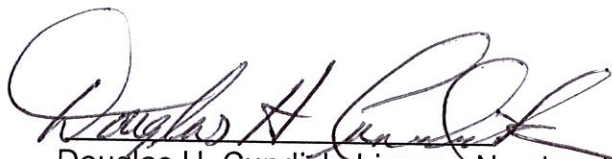
16 2. Respondents admit the jurisdiction of the Director of Insurance, State of
17 Arizona, and admit the foregoing Findings of Fact and consent to the entry of the foregoing
18 Conclusions of Law and Order.

19 3. Respondents are aware of their right to notice and a hearing at which they may
20 be represented by counsel, present evidence and examine witnesses. Respondents
21 irrevocably waive their right to such notice and hearing and to any court appeals relating to
22 this Consent Order.
23

1 4. Respondents state that no promise of any kind or nature whatsoever, except as
2 expressly contained in this Consent Order, was made to them to induce them to enter into
3 this Consent Order and that they have entered into this Consent Order voluntarily.

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

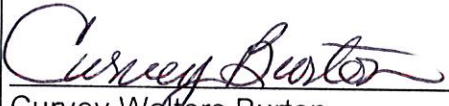
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9 Date 11. 15. 04


Douglas H. Cundick, License Number 14258
DHJ Enterprises, Inc., License Number 85053

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11
12 COPIES of the foregoing mailed/delivered
13 this 19th day of November, 2004, to:

14 Douglas H Cundick
15 DHJ Enterprises, Inc.
16 4805 East Estevan
Phoenix, AZ 85054

17 Gerrie L. Marks, Deputy Director
18 Catherine M. O'Neil, Consumer Legal Affairs Officer
19 Arnold Sniegowski, Investigations Supervisor
20 Mark Denman, Investigator
Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

21 
22 Curvey Walters Burton

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