

MAY 19 2010

DEPT OF INSURANCE
BY 

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:)
RYLAND INSURANCE)
SERVICES, INC.,)
(Arizona License # 88980))
(National Producer # 6212405))
Respondent.)

No. 10A-072-INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that **Ryland Insurance Services, Inc.** 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. Ryland Insurance Services, Inc. ("Ryland" or "Respondent") is, and was at all material times, licensed by the Department as an Arizona resident property and casualty producer, Arizona license number 88980, which expired on February 28, 2010.
2. Ryland's address of record with the Department is: 14635 N. Kierland Blvd., #200, Scottsdale, Arizona 85254.
3. On August 17, 2007, the Commissioner of Insurance of the State of Texas filed a Consent Order/Disciplinary Action in Ryland Insurance Services, No. 07-0713 ("Texas Consent Order"). The Texas Consent Order found that Ryland engaged in rebating in violation of Texas law and ordered it to pay a civil money penalty of \$64,000. Ryland did not admit to any violations.

1 4. Ryland did not report the Texas Consent Order to the Department within 30
2 days and did not supply the Department with a copy of the Texas Consent Order.

3 5. On January 8, 2008, the Kentucky Department of Insurance ("KDOI") filed an
4 Agreed Order of Probation, In the Matter of Ryland Insurance Services, Inc., DOI No.
5 511817, File No. 2007-0418, based on the Texas Consent Order. The KDOI placed
6 Ryland's license on probation for 24 months ("KDOI action").

7 6. Ryland did not report the KDOI action to the Department within 30 days and
8 did not supply the Department with a copy of the KDOI action.

9 7. On May 13, 2008, the Delaware Insurance Department ("DE DOI") filed a
10 Stipulation and Consent Order, In the Matter of Ryland Insurance Services, Docket No.
11 733, License No. 0171775, DE DOI No. 55669 ("DE DOI Consent Order"). The DE DOI
12 Consent Order found that Ryland failed to report another state's action in violation of
13 Delaware law and ordered it to pay a civil money penalty of \$200.

14 8. Ryland did not report the DE DOI Consent Order to the Department within 30
15 days and did not supply the Department with a copy of the DE DOI Consent Order.

16 9. On February 17, 2010, Ryland filed an Insurance License Renewal
17 Application for a Firm/Corporation ("Renewal Application"). Part II, Subpart A of the
18 Renewal Application asks: Has the applicant or any individual designated in the application
19 as a principal or individual who is to exercise the powers conferred by the license had any
20 professional, vocational, business license or certification refused, denied, suspended,
21 revoked or restricted, or a fine imposed by any public authority that has not been previously
22 disclosed in a written format by you to this agency? Ryland answered "No" to this question.
23 Carol Graham signed the Renewal Application on behalf of Ryland.

24 10. The Department allowed Ryland to cure its Renewal Application.

25 ...

26 ...

1 11. On April 2, 2010, Ryland resubmitted its Renewal Application. In answer to
2 Part II, subpart A of the Renewal Application, Ryland answered "Yes" and attached copies
3 of the actions taken against it in Texas, Delaware and Kentucky.

4 **CONCLUSIONS OF LAW**

5 1. The Director has jurisdiction over this matter.

6 2. Respondent's conduct, as alleged above, constitutes failure to report, within
7 30 days, any administrative action taken against the producer in another jurisdiction which
8 includes a copy of the order, consent to order or other dispositive document, within the
9 meaning of A.R.S. § 20-301(A).

10 3. Respondent's conduct, as alleged above, constitutes a violation of Title 20,
11 within the meaning of A.R.S. § 20-295(A)(2).

12 4. Respondent's conduct, as alleged above, constitutes, providing incorrect,
13 misleading, incomplete or materially untrue information in the license application, within the
14 meaning of A.R.S. § 20-295(A)(1).

15 5. Grounds exist for the Director to refuse to renew Respondent's insurance
16 producer's license, pursuant to A.R.S. § 20-295(B).

17 6. Grounds exist for the director to, in addition to or instead of any refusal to
18 renew a license, impose a civil penalty of not more than two hundred fifty dollars for each
19 unintentional failure or violation, up to an aggregate civil penalty of two thousand five
20 hundred dollars or impose a civil penalty of not more than two thousand five hundred
21 dollars for each intentional failure or violation, up to an aggregate civil penalty of fifteen
22 thousand dollars, within the meaning of A.R.S. § 20-295(F).

23 **ORDER**

24 IT IS HEREBY ORDERED THAT

25 1. Respondent shall immediately pay a civil penalty of \$1,750.00 to the Director
26 for deposit into the General Fund.

2. The Department will late-renew Respondent's insurance producer license upon entry of this Order and payment of the civil penalty.

DATED AND EFFECTIVE this 18th day of May, 2010.


For CHRISTINA URIAS, Deputy Director
Arizona Department of Insurance

CONSENT TO ORDER

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

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

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

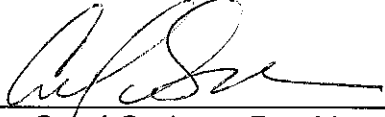
4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to Respondent to induce Respondent to enter into this Consent Order and that Respondent has entered into this Consent Order voluntarily.

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

1 6. Respondent acknowledges that this Consent Order is an administrative action
2 that the Department will report to the National Association of Insurance Commissioners
3 (NAIC). Respondent further acknowledges that Respondent must report this administrative
4 action to any and all states in which Respondent holds an insurance license and must
5 disclose this administrative action on any license application.

6 7. Carol Graham represents that she is the President of Ryland Insurance
7 Services, Inc., and as such is authorized to enter this Consent Order on its behalf.

Ryland Insurance Services, Inc.




by: Carol Graham, President

8
9
10 May 6, 2010
Date

11
12 COPY of the foregoing mailed this
13 19th day of May, 2010 to:
14 Mary Kosinski, Executive Assistant for Regulatory Affairs
15 Mary Butterfield, Assistant Director
16 Catherine M. O'Neil, Consumer Legal Affairs Officer
17 Steven Fromholtz, Licensing Director
18 Arizona Department of Insurance
19 2910 North 44th Street, Suite 210
20 Phoenix, Arizona 85018

21 Ryland Insurance Services, Inc.
22 14635 N. Kierland Blvd., #200
23 Scottsdale, Arizona 85254
24 Respondent

25 Carol Graham, President
26 Ryland Insurance Services, Inc.
14635 N. Kierland Blvd., #200
Scottsdale, Arizona 85254
For Respondent



Curvey Walters Burton