

NOV 16 2012

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY 

In the Matter of:)
)
FREED, ERIC DAVID)
(Arizona License Number 990776))
(National Producer Number 16211260))
)
Respondent.)
)
_____)

No. 12A-160 - INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that **Eric David Freed ("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 is, and was at all material times, licensed as an Arizona resident accident/health and life insurance producer, Arizona license number 990776, which expires on December 31, 2014.
2. Respondent's address of record is 10907 E. Bella Vista Dr., Scottsdale, Arizona 85259 (business/mailling/residence).
3. Respondent was at all material times contracted with Bankers Life And Casualty Company ("BLC") to transact insurance on its behalf in Arizona.
4. Between November 22, 2011 and January 6, 2012, Respondent created and submitted 30 fictitious life insurance and short term care insurance policy applications to BLC for which BLC paid him \$13,320.25 in commissions. Respondent inserted various addresses,

1 telephone numbers, and social security numbers in the spaces provided on the applications to
2 be used for the applicant's. Respondent also submitted counterfeit checks as premium
3 payments for these policies.

4 5. On October 16, 2012, the Department sent a subpoena to Respondent via
5 certified mail to present himself for an Examination Under Oath (EUO) on October 30, 2012.

6 The Department also sent Respondent an e-mail advising him of the EUO.

7 6. On October 27, 2012, Respondent notified the Department that he would not be
8 presenting himself for the EUO.

9 **CONCLUSIONS OF LAW**

10 1. The Director has jurisdiction over this matter.

11 2. Respondent's conduct as described above constitutes intentionally
12 misrepresenting the terms of an actual or proposed insurance contract or application for
13 insurance within the meaning of A.R.S. §20-295(A)(5).

14 3. Respondent's conduct, as described above, constitutes using fraudulent,
15 coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial
16 irresponsibility in the conduct of business in this state or elsewhere, within the meaning of
17 A.R.S. §20-295(A)(8).

18 4. Respondent's conduct, as described above, constitutes presenting, causing to
19 be presented or preparing with the knowledge or belief that it will be presented an oral or
20 written statement, including computer generated documents, to or by an insurer, reinsurer,
21 purported insurer or reinsurer, insurance producer or agent of a reinsurer that contains untrue
22 statements of material fact or that fails to state any material fact with respect to an application
23

1 for the issuance or renewal of an insurance policy within the meaning of A.R.S. §20-
2 463(A)(1)(a).

3 5. Respondent's conduct, as described above, constitutes presenting, causing to
4 be presented or preparing with the knowledge or belief that it will be presented an oral or
5 written statement, including computer generated documents, to or by an insurer, reinsurer,
6 purported insurer or reinsurer, insurance producer or agent of a reinsurer that contains untrue
7 statements of material fact or that fails to state any material fact with respect to premiums paid
8 on any insurance policy within the meaning of A.R.S. §20-463(A)(1)(d).

9 6. Respondent's conduct as described above constitutes violating any provision of
10 this title or any rule, subpoena or order of the director within the meaning of A.R.S. §20-
11 295(A)(2).

12 7. Grounds exist for the Director to suspend, revoke, or refuse to renew
13 Respondent's insurance license and/or order restitution pursuant to A.R.S. §§20-295(A) and
14 (F).

15 **ORDER**

16 IT IS HEREBY ORDERED THAT:

17 1. Respondent's license is revoked effective immediately upon entry of this Order.

18 DATED AND EFFECTIVE this 16th day of November, 2012.

21 Germaine L. Marks
22 GERMAINE L. MARKS
23 Acting Director of Insurance

1 **CONSENT TO ORDER**

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

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

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

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

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

18 6. Respondent acknowledges that this Consent Order is an administrative action
19 that the Department will report to the National Association of Insurance Commissioners (NAIC)
20 and that he may have to report this administrative action on any future licensing applications
21 either to the Department or other states' Departments of Insurance.

22 
Date

23 
Eric David Freed, License No. 990776

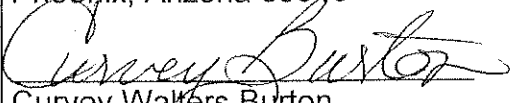
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COPIES of the foregoing mailed/delivered
this 16th day of November, 2012, to:

Eric David Freed
10907 E. Bella Vista Dr.
Scottsdale, AZ 85259
Respondent

Lynette Henry
CNO Services LLC.
11825 N. Pennsylvania St.
Carmel, IN 46032

Mary Kosinski, Executive Assistant for Regulatory Affairs
Catherine M. O'Neil, Consumer Legal Affairs Officer
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