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			STATE OF ARIZONA FILED	
1	STATE OF ARIZONA		FEB 2 4 2014	
2	DEPARTMENT	OF INSURANCE	DEPT OF THS PRANCE	
3	In the Matter of:	No. 14A-024-INS		
4	DESTINATION AUTO INSURANCE, LLC (Arizona License Number 1009449) and			
5	VELAZQUEZ, MARTHA LORENA	CONSENT ORDER		
6	Respondents.			
7	The State of Arizona Department of Insurance ("Department") has received evidence			
8	that Destination Auto Insurance, LLC and Martha Lorena Velazquez ("Respondents")			
9	violated provisions of Title 20, Arizona Revised Statutes. Respondents wish to resolve this			
10	matter without the commencement of formal proceedings, and admit the following Findings of			
11	Fact are true and consent to entry of the following Conclusions of Law and Order.			
12	SUMMARY OF ALLEGATIONS			
13	1. Destination Auto Insurance, LLC	("Destination Auto") i	s, and was at all material	
14	times licensed as an Arizona resident casualty and property insurance producer, Arizona			
15	license number 1009449, which expires December 31, 2015. The Department licensed			
16	Destination Auto on December 20, 2 <mark>011.</mark>			
17	2. Destination Auto's address of re	cord is: 8607 N. 59 th /	Ave #A4., Glendale,	
18	Arizona 85032 (business and mailing).			
19	3. Martha Lorena Velazquez ("Velazquez") is not, and was not at all material times,			
20	licensed to transact insurance in the State of Arizona.			
21	4. Velazquez is not exempt from the licensing requirement.			
22	5. Velazquez is a member of Desti	nation Auto.		
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1	Unlicensed Activity			
2	6.	From on or about December 20, 2011, Velazquez sold, solicited, and negotiated		
3	insurance polices on behalf of Destination Auto.			
4	7.	7. Destination Auto shared commissions with Velazquez.		
5	Licensing Issues			
6	8.	On or about December 20, 2011, Respondent's identified Vanessa Osuna		
7	Guizar ("Guizar") (Arizona license number 1001742) as the Designated Responsible Licensed			
8	Producer ("DRLP") for Destination Auto. Guizar was never associated with Destination Auto.			
9	9.	On or about June 24, 2013, Destination Auto began marketing itself as		
10	Destination Insurance Solutions ("Destination Insurance"). Destination Auto failed to notify the			
11	Director on a form prescribed by the Director before using the assumed business name of			
12	Destination Insurance ¹ .			
13	10.	On or before the present date, Destination Auto changed their business		
14	address without informing the Department within 30 days of the change.			
15	11.	Destination Auto has corrected their licensing issues.		
16	Use of Unfiled Fees			
17	12.	Between or about December 20, 2011 through December 16, 2013,		
18	Destination Auto charged a \$35.00 "Broker Fee" per policy. This fee was not reported to the			
19	Department and does not meet the criteria for non-customary fees.			
20		Caraveo Complaint		
21	13.	On or about October 28, 2013, Ana Luna Caraveo ("Caraveo") filed a Request		
22	for Assistant	ce ("Complaint") with the Department. In the Complaint, Caraveo alleged that		
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Velazquez was her insurance agent through Destination Auto during the course of finding coverage for her properties through her business, Aloha Investment Group, LLC ("Aloha Investment"). Luna also alleged Respondents misappropriated premium money for policy number ATR/R/302075 with Med James, Inc. ("Med James").

14. Respondents misappropriated \$317.55 in premium which was due Med James and charged Aloha \$150.00 in fees for policy numbers ATR/R/302075 and ATR/R/298929.

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

2. Respondents' conduct, as described above, constitutes a violation of Title 20, within the meaning of A.R.S. § 20-295(A)(2).

3. Velazquez's conduct, as alleged above, constitutes selling, soliciting or negotiating insurance in this state for any class or classes of insurance without being licensed for that line of authority, within the meaning of A.R.S. § 20-282.

4. Velazquez is not exempt from the licensing requirement, within the meaning of A.R.S. § 20-283.

5. Destination Auto's conduct, as described above, constitutes failing to report to the Director, within thirty days, of any change to the licensee's residential or business address, within the meaning of A.R.S. § 20-286(C)(2).

6. Destination Auto's conduct as described above, constitutes providing incorrect, misleading, incomplete or materially untrue information in the license application, within the meaning of A.R.S.§ 20-295(A)(1).

¹ Destination Insurance Solutions is not a registered tradename with the Arizona Secretary of

Respondents' conduct, as described above, constitutes improperly withholding, 7. misappropriating or converting any monies or property received in the course of doing insurance business within the meaning of A.R.S.§20-295(A)(4).

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Destination Auto's conduct as described above constitutes paying a 8. commission to an unlicensed person for selling, soliciting or negotiating insurance in this state within the meaning of A.R.S.§20-298(A).

Respondents' conduct as described above constitutes charging or receiving 9. any fee or service charge in addition to the premium charged for services customarily provided in the transaction of insurance if the fee is not reasonably related to the transaction performed within the meaning of A.R.S.§20-465(B)(3).

10. Grounds exist for the Director to order Respondent to cease and desist engaging in the violation or doing any act in furtherance of the violation of A.R.S. § 20-282, pursuant to A.R.S. § 20-292.

11. Grounds exist for the Director to deny, suspend for not more than twelve months, revoke, or refuse to renew an insurance producer's license, impose a civil penalty and/or order restitution pursuant to A.R.S. § 20-295(A).

ORDER

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IT IS HEREBY ORDERED THAT:

Velazquez shall immediately cease and desist from selling, soliciting or 1. negotiating any class or classes of insurance in this state.

2. Respondents' shall immediately make restitution to Med James in the amount of \$317.55.

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1	3.	Respondents' shall immediately make restitution to Aloha in the amount of		
2	\$150.00.			
3	4.	Respondents are jointly and severally responsible for payment of restitution to		
4	Med James and Aloha.			
5	DATED AND EFFECTIVE this 24th day of February, 2014.			
6	E.			
7		GERMAINE L. MARKS		
8		Director of Insurance		
9		CONSENT TO ORDER		
10	1.	Respondents have reviewed the foregoing Findings of Fact, Conclusions of Law		
11	and Order.			
12	2.	Respondents admit the jurisdiction of the Director of Insurance, State of Arizona,		
13	and admit the foregoing Findings of Fact and consent to the entry of the foregoing			
14	Conclusions	s of Law and Order.		
15	3.	Respondents are aware of their right to notice and hearing at which they may be		
16	represented by counsel, present evidence and examine witnesses. Respondents irrevocably			
17	waive their right to such notice and hearing and to any court appeals relating to this Consent			
18	Order.			
19	4.	Respondents state that no promise of any kind or nature whatsoever, except as		
20	expressly contained in this Consent Order, was made to them to induce them to enter into this			
21	Consent Order and that they have entered into this Consent Order voluntarily.			
22	5.	Respondents acknowledge that the acceptance of this Consent Order by the		
23	Director is s	Director is solely to settle this matter against them and does not preclude any other agency,		
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including the Department, officer, or subdivision of this state or this agency from instituting civil or criminal proceedings as may be appropriate now or in the future.

6. Respondents acknowledge that this Consent Order is an administrative action that the Department will report to the National Association of Insurance Commissioners (NAIC). Respondents further acknowledge that they must report this administrative action to any and all states in which they hold an insurance license and must disclose this administrative action on any license application.

7. Martha Lorena Velazquez represents that she is a Member of Destination Auto Insurance, LLC, and as such is authorized to enter into this Consent Order on its behalf.

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Destination Auto Insurance, LLC, License # 1009449 Martha Loreha resident Velazquez Martha/Lore

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COPIES of the foregoing mailed/delivered this <u>24th</u> day of <u>February</u>, 2014, to:

- 18 Martha Lorena Velazquez, President Destination Auto Insurance, LLC
- 19 4150 W. Northern Ave. Suite 100 Phoenix, AZ 85051
- 20 Respondent
- 21 Martha Lorena Velazquez 5755 N. 59th Ave.
- 22 Glendale, AZ 85302 Respondent

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Darren T. Ellingson, Deputy Director Mary E. Kosinski, Executive Assistant for Regulatory Affairs Maria Ailor, Acting Assistant Director, Consumer Affairs Division Catherine M. O'Neil, Consumer Legal Affairs Officer Steven Fromholtz, Licensing Supervisor Charles Gregory, Supervisor Investigations Division Randy Markham, Investigator Department of Insurance 2910 North 44th Street, Suite 210 Phoenix, Arizona 85018 Busto MR Curvey Burton