

STATE OF ARIZONA

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FILED

DEPARTMENT OF INSURANCE

MAY 3 2017

DEPT OF INSURANCE
BY *ms*

In the Matter of:

Docket No. 17A-020-INS

KOENIG, DOUGLAS WAYNE
(Arizona License Number 56298)
(National Producer Number 6739543),

CONSENT ORDER

Petitioner.

The State of Arizona Department of Insurance ("Department") has received evidence that **DOUGLAS WAYNE KOENIG** violated provisions of Title 20, Arizona Revised Statutes. Douglas Wayne Koenig 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 Wayne Koenig ("Koenig" or "Petitioner") is, and was at all material times, licensed as an Arizona resident accident/health, casualty, life, and property insurance producer, Arizona license number 56298, which expired on January 31, 2017. Petitioner has continuously been licensed with the Department since October 31, 1997.

2. Petitioner's addresses of record are: Progressive Casualty, 4550 S. 44th Place, Bldg. 17, Phoenix, AZ, 85040-4011 (business) and 942 E. Clubhouse Lane, San Tan Valley, AZ 85140-8520 (mailing).

Failure to Notify

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2 3. On or about May 5, 2014, Petitioner appeared in Maricopa County Superior
3 Court and pleaded guilty to Possession of Burglary Tools, a Class 6 Undesignated Felony,
4 case number CR2014-110121 ("Case CR2014-110121"). On or about July 25, 2014, the Court
5 accepted the plea and sentenced Petitioner to two years of unsupervised probation.

6 4. Petitioner did not disclose the criminal prosecution within thirty days of the
7 pretrial hearing date.

8 5. On or about March 4, 2015, Petitioner appeared in Macon County Sixth Judicial
9 Circuit Court, Illinois, for a preliminary hearing on charges of Battery/Cause Bodily Harm, case
10 number 2015 CF 000179 ("Case 2015 CF 000179"). On or about September 28, 2015,
11 Petitioner pleaded guilty to Battery, a Class A misdemeanor, and was sentenced to 12 months
12 of court supervision, fines and fees.

13 6. Petitioner did not disclose the criminal prosecution within thirty days of the
14 pretrial hearing date.

15 7. On or about March 3, 2014, Petitioner appeared in Mesa Municipal Court and
16 pleaded guilty to Driving Under the Influence (Drugs), Docket Number 2013083952 ("Docket
17 No. 2013083952"), a misdemeanor. On or about October 29, 2014, the Court sentenced
18 Petitioner, in Docket No. 2013083952, to 1 day of incarceration and fines.

19 8. Petitioner did not disclose the criminal prosecution within thirty days of the
20 pretrial hearing date.

Failure to Disclose

9. On or about January 12, 2017, Petitioner submitted to the Department a Resident License Renewal Application (the "2017 Renewal Application"). Question 1A of the 2017 Renewal Application's background questions asks: Have you been convicted of a misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor, which has not been previously reported to this insurance department? Petitioner answered "No" to Question 1A.

10. Question 1B of the 2017 Renewal Application asks: Have you been convicted of a felony, had a judgment withheld or deferred, or are you currently charged with committing a felony, which has not been previously reported to this insurance department? You may exclude juvenile adjudications (offenses where you were adjudicated delinquent in juvenile court). Petitioner answered "No" to Question 1B.

11. On January 31, 2017, the Department sent Petitioner notification that his renewal application for licensure had been denied.

12. On February 2, 2017, the Department received Petitioner's appeal of the denial of his renewal application.

CONCLUSIONS OF LAW

1. The Interim Director has jurisdiction over this matter.

2. Petitioner'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).

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

1 4. Petitioner's conduct, as described above, constitutes failing to disclose within
2 thirty days after the initial pretrial hearing date, any criminal prosecution taken in any
3 jurisdiction, within the meaning of A.R.S. § 20-301(B).

4 5. Grounds exist for the Interim Director to deny, suspend, revoke, or refuse to
5 renew Petitioner's insurance license, impose a civil penalty and/or order restitution pursuant to
6 A.R.S. § 20-295(A) and (F).

7 6. The Interim Director may impose a civil penalty of not more than two hundred fifty
8 dollars for each unintentional failure or violation, up to an aggregate civil penalty of two
9 thousand five hundred dollars, or impose a civil penalty of not more than two thousand five
10 hundred dollars for each intentional failure or violation, up to an aggregate civil penalty of
11 fifteen thousand dollars pursuant to A.R.S. § 20-295(F).

12 ORDER

13 IT IS HEREBY ORDERED THAT:

- 14 1. Douglas Wayne Koenig shall pay a civil penalty of five hundred dollars (\$500.00).
- 15 Payment shall be due upon the submission of this Consent Order.
- 16 2. The hearing scheduled for March 30, 2017 is vacated.

17 DATED this 3rd day of May, 2017.

18 Leslie R. Hess
19 LESLIE R. HESS, Interim Director
20 Arizona Department of Insurance

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CONSENT TO ORDER

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

4 2. Petitioner admits to 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.

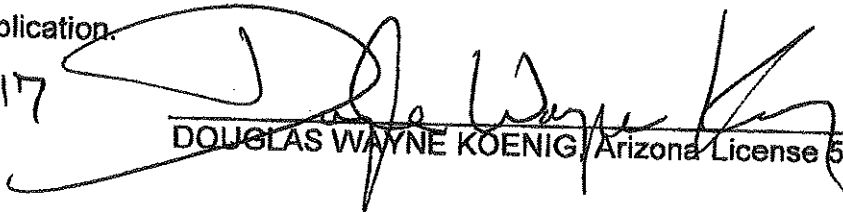
7 3. Petitioner is aware of his right to notice and a hearing at which he may be
8 represented by counsel, present evidence and examine witnesses. Petitioner irrevocably
9 waives his right to such notice and hearing and to any court appeals relating to this Consent
10 Order.

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

14 5. Petitioner 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 not related to this matter.

18 6. Petitioner acknowledges that this Consent Order is an administrative action that
19 the Department will report to the National Association of Insurance Commissioners (NAIC).
20 Petitioner further acknowledges that he must report this administrative action to any and all
21 states in which he holds an insurance license and must disclose this administrative action on
22 any license application.

23 3/2/2017
24 Date


DOUGLAS WAYNE KOENIG / Arizona License 56298

1 E-FILE of the foregoing delivered electronically
this 3rd day of ~~February~~ May, 2017, to:

2 ALJ Diane Mihalsky
3 Office of Administrative Hearings

4 COPY of the foregoing delivered same date to:

5 Mary Kosinski, Executive Assistant for Regulatory Affairs
6 Steven Fromholtz, Assistant Director
7 Gloria Barnes-Jackson, Supervisor
8 Consumer Protection Division
9 Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

10 COPY mailed same date by Regular Mail to:

11 Douglas Wayne Koenig
12 c/o Progressive Casualty
13 4550 S. 44th Pl., Bldg. 17
Phoenix, AZ 85040-4011
Petitioner

14 Douglas Wayne Koenig
15 942 E. Clubhouse Lane
San Tan Valley, AZ 85140-8520
16 Petitioner

17 COPY sent same date via electronic mail to:

18 Liane Kido
19 Assistant Attorney General
20 Consumer@azag.gov
Attorney for the Department of Insurance

21 Madeine Scheiner
22 Madeine Scheiner
5777820