

MAR 23 2018

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY ms

In the Matter of:

KMET, GREGORY
(National Producer Number 17878598)
(Legacy AZ Number 1141140)

No. 17A-039-INS

CONSENT ORDER

Respondent.

The State of Arizona Department of Insurance ("Department") has received evidence that **Gregory Kmet** violated provisions of Title 20, Arizona Revised Statutes (A.R.S.). 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. Gregory Kmet ("Respondent") is and was, at all times material, an Arizona resident accident/health and life insurance producer, National Producer Number 17878598. Respondent's license expires on May 31, 2019.

2. Respondent's address of record is: 4301 East Graythorn Avenue, Phoenix, Arizona 85044 (business and mailing). Respondent's business e-mail is: GREG_KMET@HOTMAIL.COM.

Mercer Complaint

3. On or about October 28, 2016, Kmet met with Walter and Paulette Mercer (the "Mercers"). The Mercers expressed interest in purchasing insurance policies to pay the mortgage debt on their home in the event of either of their deaths.

1 4. On October 31, 2016, the Mercers telephoned the Department to verify that
2 Kmet was a licensed insurance agent. At the same time, they emailed a photograph of
3 Kmet's business card to the Department.

4 5. Information on the card included the heading, "State of Arizona Risk
5 Assessment", the Department's "Director of Insurance" seal of office, and Kmet's contact
6 information: address, telephone number and email address.

7 6. Kmet's address on the business card did not match his business address of
8 record on file with the Department. The address on the card was for S.R.Y. Group Inc., a
9 Department-licensed business entity, doing business as Insure & Ensure.

10 7. Kmet's telephone number on the business card did not match either his
11 business or his personal telephone number of record on file with the Department. A call
12 placed to the number on the card is answered at a 'call center' per the automated greeting in
13 which callers are advised that all "customer service representatives are busy assisting other
14 customers" and encourages the caller to leave a message.

15 8. Kmet is not an employee of the Department and is not authorized to use the
16 Department's seal.

17 9. On November 2, 2016, Kmet responded to a request for information from the
18 Department regarding the Mercers' complaint and concerns regarding Kmet's business card,
19 his response included:

20 A. Copies of the Mercers' insurance application;

21 B. A statement admitting that he had not received permission from the
22 Director of Insurance to use the Director of Insurance seal on his business cards;

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1 C. A statement admitting that despite entitling his business card "State of
2 Arizona Risk Assessment" he was not affiliated with the State of Arizona for business
3 purposes; and

4 D. A statement admitting that he used the Insure & Ensure address because
5 he did not have a separate business address and worked out of his residence.

6 10. The Mercers' application for insurance, provided by Kmet, was an application for
7 accidental death insurance from Mutual of Omaha.

8 11. The Mercers stated to the Department that they believed they were purchasing
9 mortgage insurance from Kmet and that Kmet had not left them any documentation regarding
10 the policies they had purchased.

11 12. On November 15, 2016, the Mercers called Mutual of Omaha and had the
12 accidental death policies cancelled. The Mercers have no restitution due to them.

13 **Rodriguez Complaint**

14 13. On September 26, 2017, the Department received a complaint ("Rodriguez
15 Complaint") forwarded by the Arizona Attorney General's Consumer Information and
16 Complaints Unit. Ofelia Rodriguez made the complaint against "Mutual Omaha IA State of
17 Arizona Risk Assessment".

18 14. In the Rodriguez Complaint, Ofelia Rodriguez stated that Kmet had sold her and
19 her husband insurance, but had never provided her with copies of the documents they signed.
20 The Rodriguezes attempted to obtain the documentation by going to the address provided by
21 Kmet on his business card and were unable to find Kmet in the building directory.

22 15. Ofelia Rodriguez also provided a copy of the business card that Kmet had
23 provided to her.

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1 21. The Request for Assistance also stated that VanBendegom never received
2 documents related to his policy.

3 22. In a letter dated October 11, 2016, Kmet responded to the Department's request
4 for information regarding the VanBendegom Request for Assistance. Kmet readily
5 acknowledged that VanBendegom was seeking mortgage insurance, but insisted that
6 VanBendegom had fully understood he was purchasing an Accidental Death policy.

7 **CONCLUSIONS OF LAW**

8 1. The Interim Director has jurisdiction over this matter.

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

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

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

19 5. Respondent's conduct, as described above, constitutes making any statement
20 using any name or title of any policy or class of policies misrepresenting the true nature of the
21 policy, within the meaning of A.R.S. § 20-443(4).

22 6. Grounds exist for the Interim Director to suspend, revoke, or refuse to renew
23 Respondent's insurance license pursuant to A.R.S. § 20-295(A).

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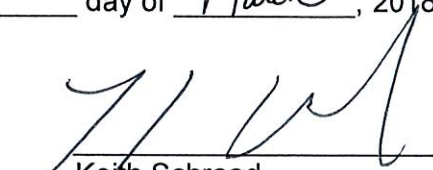
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ORDER

IT IS HEREBY ORDERED THAT:

Gregory Kmet's license, National Producer number 17878598, is revoked effective immediately upon entry of this order.

DATED AND EFFECTIVE this 21st day of March, 2018.


Keith Schraad
Interim Director

CONSENT TO ORDER

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

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

3. Respondent is aware of his right to notice and to a hearing, at which he may be represented by counsel, present evidence and examine witnesses. Respondent irrevocably waives his 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 him to induce him to enter into this Consent Order and that he 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 him and does not preclude any other agency,

1 officer, or subdivision of this state including the Department from instituting civil or criminal
2 proceedings as may be appropriate now or in the future.

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

7 3/12/18

8 Date


9 _____
10 Gregory Kmet (National Producer # 17878598)

11 COPIES of the foregoing mailed/delivered
12 this 23rd day of March, 2018, to:

13 Gregory Kmet
14 4301 E. Graythorn Avenue
15 Phoenix, Arizona 85044
16 Respondent

17 Mary Kosinski, Regulatory Legal Affairs Officer
18 Steven Fromholtz, Assistant Director, Consumer Protection Division
19 Wendy Greenwood, Investigator, Consumer Protection Division
20 Department of Insurance
21 2910 North 44th Street, Suite 210
22 Phoenix, AZ 85018

23 

24 Maidene Scheiner
6879643