

JUL 17 2019

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY MEK 7/17/19

In the Matter of:

SIKES, RICHARD HARRIS
(National Producer Number 7837851)

No. 19A- 100 -INS

CONSENT ORDER

Respondent.

The State of Arizona Department of Insurance ("Department") has received evidence that **Richard Harris Sikes** ("Sikes" or "Respondent") violated provisions of Title 20, Arizona Revised Statutes ("A.R.S."). Respondent wishes to resolve this matter without the commencement of formal proceedings, admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Sikes is, and was at all material times, licensed as an Arizona-resident producer, National Producer Number 7837851. On August 26, 2003, the Department issued to Sikes two (2) lines of authority: casualty and property. One month later, on September 26, 2003, the Department issued to Sikes two (2) additional lines of authority: life and accident and health or sickness. Sikes's most recent license renewal occurred on June 25, 2018; the license is currently scheduled to expire on June 30, 2022.

2. Sikes' addresses of record with the Department are: 3148 North Olympic, Mesa, AZ 85215 (business and mailing), and rsikes10@gmail.com (business email).

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1 **Unlicensed Activity**

2 3. On July 1, 2017, Sikes' license expired and remained in expired status until Sikes
3 renewed his license effective June 26, 2018.

4 4. On or about July 9, 2018, Safeco Insurance ("Safeco"), notified the Department
5 that between June 30, 2017 and June 5, 2018, Sikes bound fifteen (15) policies while employed
6 at Citywide Insurance Center Inc., a licensed Arizona insurance producer.

7 **Examination Under Oath**

8 5. On April 3, 2019, Sikes appeared before the Department to provide testimony
9 during an Examination Under Oath ("EUO"). He reviewed the fifteen (15) policies sold during
10 the time his license was in expired status.

11 6. The Safeco agent and producer codes listed on all fifteen (15) policies are 131071
12 and MNY749142 respectively. According to Sikes, the agent code is assigned to Citywide
13 Insurance Center, Inc., while the producer code is specifically assigned to him. Use of the
14 producer code allowed Sikes to participate in Safeco's Incentive Program and to receive
15 bonuses for his sales.

16 7. Sikes admitted to transacting some of the fifteen (15) policies. Sikes also admitted
17 that some policies were bound by other agents who asked him to submit them under his
18 producer's code to allow them to receive incentive/bonus pay.

19 8. All policies submitted to Safeco under Sikes's producer's code were credited to
20 Sikes.

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1 **Failure to Update Address Information**

2 9. During the EUO, Sikes reviewed his address information on file with the
3 Department. Sikes acknowledged the addresses were no longer valid, and in fact, he stated
4 that his business/ mailing address had not been valid since approximately June 2011.

5 **CONCLUSIONS OF LAW**

6 1. The Director has jurisdiction over this matter.

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

9 3. Respondent's conduct, as described above, constitutes selling, soliciting or
10 negotiating insurance in this state for any class or classes of insurance without a license, within
11 the meaning of A.R.S. § 20-282.

12 4. Respondent's conduct, as described above, constitutes failing to inform the
13 director in writing within thirty days of any change in the licensee's, Residential, business or e-
14 mail address, within the meaning of. A.R.S. § 20-286(C)(1).

15 5. Grounds exist for the Director to deny, suspend for not more than twelve months,
16 revoke, or refuse to renew an insurance producer's license pursuant to A.R.S. §§ 20-295(A)
17 and (F).

18 6. Grounds exists, in addition to or instead of any suspension, revocation or refusal
19 to renew a license, for the Director to impose a civil penalty of not more than \$250 for each
20 unintentional failure or violation, up to an aggregate civil penalty of \$2,500 or impose a civil
21 penalty of not more than \$2,500 for each intentional failure or violation, up to an aggregate
22 penalty of \$15,000, pursuant to A.R.S. § 20-295(F).

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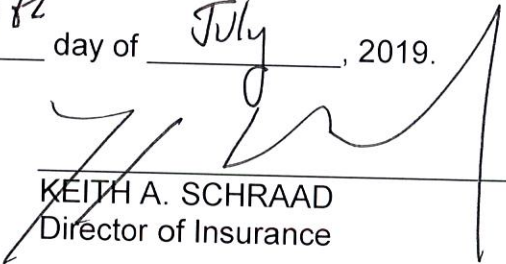
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1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

- 3 1. Respondent shall immediately update all his addresses of record with the
4 Department.
- 5 2. Respondent shall immediately pay a civil penalty in the amount of \$2,500.00 for
6 deposit into the state general fund.

7 DATED AND EFFECTIVE this 17th day of July, 2019.

8 
9 KEITH A. SCHRAAD
10 Director of Insurance

11 **CONSENT TO ORDER**

- 12 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and
13 Order.
- 14 2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona,
15 and admits the foregoing Findings of Fact and consents to the entry of the foregoing
16 Conclusions of Law and Order.
- 17 3. Respondent is aware of his right to notice and to a hearing, at which he may be
18 represented by counsel, present evidence and examine witnesses. Respondent irrevocably
19 waives his right to such notice and hearing and to any court appeals relating to this Consent
20 Order.
- 21 4. Respondent states that no promise of any kind or nature whatsoever, except as
22 expressly contained in this Consent Order, was made to him to induce he to enter into this
23 Consent Order and that he has entered into this Consent Order voluntarily.
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1 5. Respondent acknowledges that the acceptance of this Consent Order by the
2 Director is solely to settle this matter against him and does not preclude any other agency,
3 officer, or subdivision of this state including the Department from instituting civil or criminal
4 proceedings as may be appropriate now or in the future.

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

9
10 6-21-19
Date


Richard Harris Sikes, National Producer Number 7837851

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14 **COPY** of the foregoing mailed this
15 18th day of July, 2019, to:

16 Richard Harris Sikes
17 3148 N. Olympic
18 Mesa, AZ 85215
19 Respondent

20 **COPY** of the foregoing delivered, same date, to:

21 Mary Kosinski, Regulatory Legal Affairs Officer
22 Catherine M. O'Neil, Consumer Legal Affairs Officer
23 Steven Fromholtz, Assistant Director, Consumer Protection Division
24 Sharyn Kerr, Administrative Assistant
Lawrence Bevins, Investigator
Arizona Department of Insurance
100 N. 15th Avenue, Suite 102
Phoenix, Arizona 85007-2624

1 **COPY** sent same date via electronic mail to:

2 Richard Harris Sikes
3 rsikes10@gmail.com

4 Respondent

5 Richard Harris Sikes
6 rsikes10@cox.net

7 Respondent

8 
9 Francine Martinez

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