The Arizona Department of Insurance and Financial Institutions ("Department") has received evidence that Willis Hunter Sherwood ("Respondent") 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 the entry of the following Conclusions of Law and Order.

**FINDINGS OF FACT**

1. Respondent was at all material times licensed as an Arizona resident insurance producer, National Producer Number 17633804, with lines of authority in accident and health or sickness, casualty, life and property insurance. The Department first licensed Respondent on June 29, 2015. Respondent’s license is scheduled to expire on February 28, 2023.

2. Respondent’s business addresses of record with the Department are: 202N 600W Taylor, Arizona 85939 (business); Po Box 1501, Taylor, Arizona 85939 (mailing) and hunter.sherwood@american-national.com (email).

3. On or about January 12, 2022, the Department received a complaint from
1. American National Property & Casualty Company ("ANPCC") against Respondent alleging that Respondent created and issued a fraudulent Certificate of Insurance ("COI").

4. The Department commenced an investigation into this matter. The Department’s investigation determined the following:

a) On or about June 10, 2021, Respondent issued a COI to S.C. and S.C ("Ms. and Mr. C.") for an insurance policy that did not exist. Ms. and Mr. C. provided this COI to their mortgage company as proof of property insurance. The Department determined that ANPCC denied Ms. C.’s initial application for insurance in August of 2019, due to a failure to meet the underwriting guidelines. Ms. C. acknowledged that the application denial was communicated to her by Respondent, but Respondent assured her that he would “‘take care of it’ and she was covered with a new policy.” Respondent, however, failed to bind a new policy for the property.

b) In June of 2021, Ms. C. contacted Respondent to report a claim following storm damage to her property. According to Respondent, it was at this point that he found out “that there was not coverage in place” and “that [the policy] had been lapsed.” Respondent attempted to cover the damages to the property with his personal funds by issuing a personal check in the amount of $7,691.45 to Ms. C. Ms. C. did not cash Respondent’s check since Respondent’s Errors and Omissions policy paid the claim for the property damage.

c) On or about March 17, 2022, the Department conducted an Examination Under Oath ("EUO") of Respondent. During the EUO Respondent admitted to falsifying insurance documents after failing to inform Ms. C of her denial of coverage.
d) During the same EUO, the Department’s investigator also inquired regarding two similar complaints filed against Respondent in 2019 and 2021.

i) In the 2019 complaint, consumer L.B. alleged that he contacted Respondent in 2018 to obtain insurance coverage for his newly purchased home. Respondent informed L.B. that the “[c]overage is in force” and provided him a copy of a falsified COI. Respondent failed to transfer L.B.’s premium payment to the insurer and the insurance policy was never bound. After Respondent failed to respond to L.B.’s requests to deliver policy documents, L.B. contacted the ANPCC directly to obtain a copy of his policy documents. ANPCC informed L.B. that the “policy number an [his] name did not exit with them.” Respondent admitted to falsifying documents and failing to inform L.B. policy was never in force.

ii) In the 2021 complaint consumers J.B. and K.B. alleged that on August 16, 2021, they contacted Respondent to file a claim for their secondary home. They were informed that Respondent “had taken care of and filed claim.” Respondent later confirmed to J.B. that “everything was progressing, and checks were soon to be dispursed [sic].” In October 2021, J.B. learned that the claim was never filed and the insurance policy was cancelled in April of 2021. This claim was ultimately resolved with a payment from Respondent’s Errors and Omissions policy. Respondent admitted to the facts in this complaint.
CONCLUSIONS OF LAW

5. The Director has jurisdiction over this matter.

6. Respondent’s conduct, as described above, constitutes a violation of Title 20 or any rule, subpoena or order of the Director. A.R.S. § 20-295(A)(2).

7. Respondent’s conduct, as described above, constitutes intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance. A.R.S. § 20-295(A)(5).

8. Respondent’s conduct, as described above, constitutes using fraudulent, coercive or dishonest practice, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. A.R.S. § 20-295(A)(8).

9. Respondent’s conduct, as described above, constitutes failing to informed the Director in writing within thirty days of any change in the licensee’s residential, business or email address. A.R.S. § 20-286(C)(1).
10. Grounds exist for the Director to suspend, revoke, or refuse to renew Respondent's insurance license pursuant to A.R.S. § 20-295(A).

ORDER

IT IS HEREBY ORDERED THAT:

Willis Hunter Sherwood's Arizona license producer license, number 17633804, is revoked effective immediately.

Effective this 23rd day of June, 2022.

Evan G. Daniels, Director
Arizona Department of Insurance and Financial Institutions
CONSENT TO ORDER

1. Respondent acknowledges that it has been served with a copy of the foregoing Consent Order in the above-referenced matter, has read it, is aware of its right to an administrative hearing in this matter and has knowingly and voluntarily waived that right.

2. Respondent accepts the personal and subject matter jurisdiction of the Department over it in this matter.

3. Respondent acknowledges that no promise of any kind or nature has been made to induce it to sign the Consent to Order and it has done so knowingly and voluntarily.

4. Respondent acknowledges and agrees that the acceptance of this Consent to Order by the Director is solely to settle this matter and does not preclude the Department from instituting other proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer or political subdivision of this state from instituting proceedings, investigating claims, or taking legal action as may be appropriate now or in the future relating to this matter or other matters concerning Respondent, including but not limited to violations of Arizona’s Consumer Fraud Act.

Respondent acknowledges that, other than with respect to the Department, this Consent Order makes no representations, implied or otherwise, about the views or intended actions of any other state agency or officer or political subdivision of the state relating to this matter or other matters concerning Respondent.
5. Respondent waives all rights to seek an administrative or judicial review or otherwise to challenge or contest the validity of this Consent Order and its accompanying parts before any court of competent jurisdiction.

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

1/26/2022
DATE

WILLIS HUNTER SHERWOOD
(NATIONAL PRODUCER NO. 17633804)
COPY of the foregoing delivered via email this 23rd day of June, 2022, to:

Wills Hunter Sherwood
PO Box 1501
Taylor, AZ 85939
hunter.sherwood@american-national.com

Respondent

Wills Hunter Sherwood
202N 600W
Taylor, Arizona 85939
Respondent

COPY of the foregoing delivered/mailed same date, to:

Deian Ousounov, Assistant Director
Gio Espinosa, Regulatory Legal Affairs Officer
Ana Starcevic, Paralegal Project Specialist
Catherine O’Neil, Consumer Regulatory Affairs Officer
Steven Fromholtz, Division Manager, Licensing
Linda Lutz, Legal Assistant, Licensing
Aqueelah Curie, Supervisor, Licensing
Michael Vukson, Investigator
Arizona Department of Insurance and Financial Institutions
100 North 15th Avenue, Suite 261
Phoenix, Arizona 85007-2630

Ana Starcevic