

Department of Insurance and Financial Institutions

FILED August 21, 2024 by MK**STATE OF ARIZONA****DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

In the Matter of:

No. 24A-030-INS**MATTHEW ROBERT LUGO****CONSENT ORDER**

(National Producer No. 7544098)

Respondent.

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that **Matthew Robert Lugo** (“Respondent”) violated provisions of Arizona Revised Statutes (“A.R.S.”) Title 20. 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 7544098, with lines of authority in life and accident and health or sickness insurance. The Department first licensed Respondent on January 6, 2003. Respondent’s license is scheduled to expire on September 30, 2024.

2. Respondent’s addresses of record with the Department are 9015 North 56th Ave., Glendale, AZ 85302 (business and mailing) and matt.lugo@gmail.com (email).

3. On or about June 26, 2023, the Department received a complaint from K.H. alleging that Respondent filled out and submitted a Blue Cross Blue Shield of Arizona

1 (“BCBSAZ”) Health Choice Pathways (“HCP”) Medicare Advantage plan insurance
2 application without her knowledge or consent. K.H. cancelled the enrollment before its
3 effective date. K.H. further stated that Respondent contacted her by telephone to verify her
4 personal information due to BCBSAZ’s acquisition of HCP and that she would need to
5 change her PPO. K.H. advised Respondent that she did not want any changes to the
6 coverage she had at that time.

7 4. The Department commenced an investigation into this matter. The
8 Department’s investigation found the following:

9 a) On or about January 30, 2024, BCBSAZ provided to the Department records
10 related to K.H. enrollment in BCBSAZ Health Choice. A review of the
11 records revealed the following: i) on or about June 21, 2023, BCBSAZ Health
12 Choice sent a “thank you for enrolling” letter to K.H.; ii) on or about June 23,
13 2023, K.H. sent a letter to BCBSAZ Health Choice stating that she received a
14 telephone call “telling [her] that AHCCCS was merging and [she] had to
15 change to a new PPO.” K.H. further stated in her letter that she wants to keep
16 her “current coverage with Health Choice” and requested a cancellation of the
17 new enrollment; iii) on or about June 27, 2023, BCBSAZ Health Choice
18 cancelled K.H.’s request for enrollment.

19 b) On or about July 18, 2023, the Department requested a response from
20 Respondent.

21 c) On the same date, July 18, 2023, Respondent provided his response.
22 Respondent denied the allegations stating that he filled out the application to

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ensure accuracy but that K.H. signed the application during their in-person meeting.

d) On or about January 30, 2024, the Department conducted an on-the-record interview with Respondent. During the interview, Respondent stated that he spoke over the telephone with K.H. on June 13, 2023, and scheduled an appointment for June 16, 2023, at 9:00 a.m. Respondent also stated that K.H. was enthusiastic about the potential benefit changes during both encounters. Respondent denied the allegation that he signed the application on K.H.'s behalf. Respondent further claimed that he could not have known K.H.'s primary care physician without meeting with her to discuss coverage.

e) Following the on-the-record interview with Respondent, the Department contacted K.H. K.H. continued to assert that the allegations in the complaint are true and accurate. K.H. countered Respondent's claims as follows:

- Her signature always contains her middle initial, contrary to the signature contained in the application file by Respondent.
- Due to a health condition her daily activities start after 10:00 a.m.
- She and her husband do not conduct business at their home.
- She does not have difficulties conducting business over electronic means and devices.
- Respondent obtained her personal information, including her primary care doctor, during their first and only telephone communication.

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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 using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. A.R.S. § 20-295(A)(8).

8. Respondent’s conduct, as described above, constitutes forging another's name to any document related to an insurance transaction. A.R.S. § 20-295(A)(10).

9. Grounds exist, for the Director to deny, suspend for not more than twelve months, revoke or refuse to renew Respondent’s insurance producer license. A.R.S. § 20-295(A).

ORDER

IT IS HEREBY ORDERED THAT:

Matthew Robert Lugo’s Arizona insurance producer license, NPN 7544098, is revoked, effective immediately.

Effective this 21st day of August, 2024.

Barbara D. Richardson

Barbara D. Richardson
Cabinet Executive Officer
Executive Deputy Director
Arizona Department of Insurance and Financial Institutions

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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.

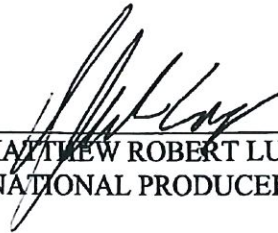
3. Respondent acknowledges that no promise of any kind or nature has been made to induce it to sign the Consent to Order and it has done so knowingly and voluntarily.

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.

1 5. Respondent waives all rights to seek an administrative or judicial review or
2 otherwise to challenge or contest the validity of this Consent Order and its accompanying
3 parts before any court of competent jurisdiction.

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

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11 _____
DATE



MATTHEW ROBERT LUGO
(NATIONAL PRODUCER NO. 7544098)

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1 **COPY** of the foregoing delivered via email
this ²² day of ^{August}, 2024, to:

2 Matthew R. Lugo
3 9015 North 56th Ave
4 Glendale, Az 85302
5 matt.lugo@gmail.com
6 Respondent

7 Marc Cavness, Esq.
8 marccavness@msn.com
9 Attorney for Respondent

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

11 Deian Ousounov, Chief Financial Deputy Director
12 Alena Caravetta, Regulatory Legal Affairs Officer
13 Ana Starcevic, Project Specialist
14 Rachel Smith, Investigator
15 Catherine O'Neil, Consumer Regulatory Affairs Officer
16 Steven Fromholtz, Division Manager, Licensing
17 Linda Lutz, Legal Assistant, Licensing
18 Aqueelah Currie, Licensing Supervisor
19 Arizona Department of Insurance and Financial Institutions
20 100 North 15th Avenue, Suite 261
21 Phoenix, Arizona 85007-2630

22 *Mayra Kariem*
