

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

No. 24A-032-INS

RICHARD W. BEYER

CONSENT ORDER

(National Producer Number 8160383)

Respondent.

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that Richard W. Beyer (“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 8160383, with lines of authority in accident and health of sickness and life insurance. The Department first licensed Respondent on July 7, 2004. Respondent’s license expired on December 31, 2023.

2. Respondent’s mailing and business address of record with the Department are c/o Financial Health and Security Advisors, 9841 E. Bell Rd., Ste. 110, Scottsdale, AZ 85260-2357 (business and mailing) and rbeyer@cox.net (e-mail).

3. On or about September 1, 2023, the Department received a complaint from

1 Massachusetts Mutual Life Insurance Company (“MassMutual”) alleging that former
2 MassMutual agent Richard Beyer misled consumers Richard and Shirley Ernst (“The
3 Ernsts”) regarding the replacement of their Northwestern Mutual Life (“NML”) insurance
4 policies.

5 4. The Department commenced an investigation into this matter. The
6 Department’s investigation, including a review of the MassMutual’s Investigative Case
7 Summary and additional documentation provided to the Department, found the following:

- 8 a. A review of the MassMutual Investigative Case Summary and
9 additional documentation provided to the Department revealed that on
10 or about July 13, 2023, the Ernsts submitted a written complaint to
11 MassMutual alleging that Respondent misrepresented the exchange of
12 their NML whole life policies to MassMutual
- 13 b. Respondent submitted two (2) whole life insurance applications for
14 Richard Ernst and Shirley Ernst with MassMutual in November 2018.
15 The applications disclosed in force NML policies and represented that
16 the NML policies would remain in-force with no replacement.
- 17 c. MassMutual’s Special Investigations Unit (“SIU”) found that the
18 issued MassMutual policies did, in fact, replace Ernsts’ existing NML
19 policies. Premium payments to NML were suspended when
20 MassMutual issued coverage. The existing NML cash values were
21 depleted via automatic premium loans.

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- d. Respondent did not complete the required 1035 exchange forms to issue the MassMutual policies as replacements.
- e. The Ernsts asserted they did not authorize the suspension of premium payments and they believed the NML cash values would be transferred to their MassMutual policies.
- f. Upon reviewing Respondent’s book of business, SIU discovered at least two more customers, in addition to the Ernsts, with similar undisclosed replacement activity involving NML policies.
- g. MassMutual would not have approved Ernsts’ policies with the understanding they were foregoing a 1035 exchange and suspending payments to NML.
- h. On August 28, 2023, MassMutual terminated their contract with Beyer and completed a fraud filing with the Department.

Ernsts’ Complaint to the Department

5. On December 25, 2023, the Ernsts submitted a complaint to the Department regarding the same issues as in the MassMutual complaint. Specifically, the Ernsts alleged the following:

- a. The Ernsts had four (4) Northwestern policies, one for each member of their family, and Respondent replaced those policies with eleven (11) Northwestern Mutual policies without their consent or knowledge.

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- b. The Ernsts acknowledged they had signed various documents over the years but denied any knowledge that the documents signed were applications for new policies.
- c. In 2019, Respondent suggested that the Ernsts add two additional MassMutual policies leaving them with a total of thirteen (13) policies, of which they were only aware of six (6). The Ernsts alleged the total premium for the 13 policies was approximately \$15,000.00 monthly, despite being told they only needed between \$4,000.00 and \$9,000.00 monthly to fund the policies.
- d. The Ernsts alleged Respondent used their cash management account to fund the MassMutual policies and stopped funding the Northwestern policies without their consent. The Ernsts further alleged that Respondent took out loans on 6 of the 11 Northwestern policies to pay for the fraudulent policies.
- e. Along with the Complaint, the Ernsts provided documentation detailing their history with Northwestern and MassMutual. This included their client summary report from Northwestern showing 11 active life insurance policies and reflecting a number of premium and/or policy loans.
- f. The Ernsts also provided the Department with payment histories of six (6) Northwestern policies which were terminated between 2010 and 2020 without their knowledge.

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Department Subpoena to Respondent

6. On January 17, 2024, the Department issued a Subpoena Duces Tecum to Respondent requiring that he produce specific documents by February 15, 2024.

7. On February 15, 2024, the Department received an email from rbeyer@cox.net, written in the third person, stating, “Richard Walter Beyer is no longer affiliated/licensed with any of the companies referenced ... No records or access to any of the records exist. When contacting the insurance company mentioned; full resolution was resolved and accepted. Richard Walter Beyer does not hold a state of Arizona insurance licensed or securities licensed producer contract.”

8. The Department provided an extension to Respondent to respond to the allegations against him and produce specific documents by no later than February 28, 2024.

9. On February 21, 2024, the Department sent an email to the investigative consultant at MassMutual asking if Respondent had settled the matter with MassMutual as he claimed in his email to the Department.

10. The investigative consultant responded, “Mr. Beyer was not involved in the settlement MassMutual reached with customers Richard and Shirley Ernst nor did he contribute to the settlement amount paid by MassMutual.” The investigative consultant attached the settlement documents and final report to her email.

11. On February 28, 2024, the Department received an email stating, “Richard W. Beyer no longer desires or is able to engage in insurance business.”

12. Respondent has not provided any of the documents requested by the Department.

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CONCLUSIONS OF LAW

13. The Director has jurisdiction over this matter.

14. 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).

15. Respondent’s conduct, as described above, constitutes improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business, within the meaning of A.R.S. § 20-295(A)(4).

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

17. 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, within the meaning of A.R.S. § 20-295(A)(8).

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

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ORDER

IT IS HEREBY ORDERED THAT:

Richard W. Beyer Arizona resident insurance producer license, National Producer License Number 8160383, is revoked effective immediately.

Effective this 13th day of September, 2024.

Barbara D. Richardson

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

CONSENT TO ORDER

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

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

3. Respondent acknowledges that no promise of any kind or nature has been made to induce them to sign the Consent to Order and they have 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 6. 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 7. 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 they must report this administrative action
7 to any and all states in which Respondent holds an insurance license and must disclose this
8 administrative action on any license application.

9
10 09.09.2021
11 DATE


12 RICHARD W. BEYER
13 (NATIONAL PRODUCER NO. 8160383)

1 **COPY** of the foregoing delivered via email
this 13th day of September, 2024, to:

2
3 Richard W. Beyer
4 10691 N. 140th Way
5 Scottsdale, AZ 85259-5500
6 beyer@odeon.live
7 rbeyer@cox.net
8 Respondent

9 **COPY** of the foregoing delivered/emailed same date, to:

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

21 Zachary Howard, Assistant Attorney General
22 Zachary.Howard@azag.gov
Adminlaw@azag.gov
Attorney for
the Arizona Department of Insurance and Financial Institutions

Mayra Kariem
