

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED June 16, 2025 by AS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

**ALLEN FINANCIAL INSURANCE
GROUP INC**

(National Producer Number 3358150)

Respondent.

No. 25A- 024 -INS

CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions (“Department”) received evidence that Allen Financial Insurance Group Inc (“Allen Financial” or “Respondent”) violated provisions of Arizona Revised Statutes (“A.R.S.”) Title 20. Respondent wishes to resolve this matter without the commencement of formal proceedings, 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 currently holds two (2) types of Arizona resident licenses under national producer license number 3358150: an insurance producer license with lines of authority in casualty, accident and health or sickness, property, and life insurance, and a surplus lines broker license. The Department first issued a license to Respondent on March 12, 1991. Respondent’s licenses are scheduled to expire on March 31, 2028.

2. Respondent’s addresses of record with the Department are 11111 North Scottsdale Road, Suite 205J, Scottsdale, Arizona 85254-6732 (business); PO BOX 6230,

1 Scottsdale, Arizona 85261-6230 (mailing); ballen@amriskusa.com and
2 brent.allen@eqgroup.com (email).

3 3. Brent Irving Allen (“Mr. Allen”) is a
4 designated responsible individual for Respondent.

5 4. During January and February 2025, the Department received multiple
6 complaints against Respondent alleging issues including failure to respond to consumers’
7 inquiries and requests, failure to cancel policies upon consumers’ request, failure to refund
8 premium payments, and failure to remit premium payments to the insurer.

9 5. On or about February 14, 2025, the Department received a Notice of Allen
10 Financial Insurance Group, Inc. Deficiencies and Affected Carriers and Potential Placement
11 into Receivership from Respondent’s attorney stating, in part, that Allen Financial, due to a
12 multi-year embezzlement committed by a longtime bookkeeper, lost at an average rate of
13 \$150,000 to \$200,000 per year in company funds, for an approximate loss totaling \$1.1
14 million, after Respondent was able to recover approximately \$100,000 from the
15 bookkeeper’s family. Further, following the discovery of the embezzlement, Respondent
16 lost approximately 50% of its business when a partnership program was terminated and
17 Respondent was unable to renew the affected policies with similar commission rates. The
18 Notice further stated that Respondent was exposed to an approximate \$300,000 to \$500,000
19 financial deficiency.

20 6. On or about February 18, 2025, the Department requested Respondent’s
21 response to the complaints’ allegations.
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1 7. On the same date, February 18, 2025, the Department conducted a telephonic
2 interview with Respondent's attorney. During the call, Respondent's attorney revealed the
3 following, in part:

- 4 • In 2023, Allen Financial's largest affiliate company was acquired by
5 Berkshire Hathaway. Following this acquisition, Berkshire Hathaway
6 lowered the commission rates for the policies written by Allen Financial
7 from 30% to 10% and subsequently declined renewal of all surplus lines
8 contracts related to the affiliate agreement.
- 9 • Berkshire Hathaway's actions caused Allen Financial to lose its largest
10 revenue stream and suffer considerable financial difficulty.
- 11 • Allen Financial began to pay employees using funds paid by
12 policyholders and held in the premium trust account. The trust account
13 was depleted. All but one or two employees resigned. The staffing
14 issues caused delays or non-response to consumers' inquiries.

15 8. On or about March 6, 2025, the Department issued an Order to Suspend and
16 Cease and Desist against Allen Financial and Mr. Allen suspending Allen Financial's and
17 Mr. Allen's Arizona resident insurance producer licenses and demanding, in part, they
18 immediately cease and desist from effectuating new or renewal contracts of insurance and
19 the collection of insurance premiums in Arizona.

20 9. On or about March 17, 2025, Allen Financial filed a Notice of Demand for
21 Hearing and Stay of Cease and Desist Order.

5 11. The sale of Respondent's book of business is anticipated to occur in June
6 2025.

7 || **CONCLUSIONS OF LAW**

12. Respondent's conduct, as alleged above, constitutes violating any provision of this title or any rule, subpoena or order of the Director. A.R.S. § 20-295(A)(2).

10 13. Respondent's conduct, as alleged above, constitutes improperly withholding,
11 misappropriating or converting any monies or properties received in the course of doing
12 insurance business. A.R.S. § 20-295(A)(4).

13 14. Respondent's conduct, as alleged above, constitutes using fraudulent, coercive
14 or dishonest practices, or demonstrating incompetence, untrustworthiness or financial
15 irresponsibility in the conduct of business in this state or elsewhere. A.R.S. § 20-295(A)(8).

16 15. Respondent's conduct, as alleged above, constitutes acting as an agency
17 licensed under Title 20. A.R.S. § 20-441(B)(10).

18 16. Respondent's conduct, as alleged above, constitutes making any false entry in
19 a book, report or statement of any person required to have records under Title 20, with
20 intent to deceive any agent or examiner lawfully appointed to examine into its condition or
21 into any of its affairs, or any public official to whom the insurer or person is required by law
22 to report, or who has authority by law to examine into its condition or into any of its affairs,

1 or, with like intent, willfully omit to make a true entry of any material fact pertaining to the
2 business of the insurer or person in any book, report or statement thereof. A.R.S. § 20-
3 447(B).

4 17. Grounds exist for the Director to deny, suspend for not more than twelve
5 months, revoke or refuse to renew an insurance producer's license or to impose a civil
6 penalty in accordance with subsection F of A.R.S. § 20-295 or any combination of actions
7 for any one or more of the causes listed in subsection A of A.R.S. § 20-295. A.R.S. § 20-
8 295(A).

9 **ORDER**

10 IT IS HEREBY ORDERED THAT:

11 1. Allen Financial Insurance Group Inc.'s Arizona resident insurance producer
12 licenses, National Producer Number 3358150, are revoked effective immediately.

13 Effective this 16th day of June, 2025.

14 Maria Ailor

15 Maria Ailor, Interim Director
16 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 this 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.

7. Brent Irving Allen represents that he is the Designated Responsible Insurance Producer of Respondent and, as such, is authorized to sign this Consent Order on Respondent's behalf.

Allen Financial Insurance Group Inc
(National Producer Number 3358150)

6/12/2025

Date

By:  _____

Brent Irving Allen, Secretary
Designated Responsible Insurance Producer

COPY of the foregoing delivered by E-mail
this 16th day of June, 2025, to:

Allen Financial Insurance Group Inc
Eric Moats, Esq.
May Potenza Baran & Gillespie
emoats@maypotenza.com
Attorney for Respondent

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

Deian Ousounov, Chief Deputy Director of Finance
Alena Caravetta, Regulatory Legal Affairs Officer
Rachel Smith, Insurance Analyst
Steven Fromholtz, Licensing Division Manager
Aqueelah Currie, Licensing Supervisor
Linda Lutz, Legal Assistant
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100 North 15th Avenue, Suite 261
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Ana Starevic