

DEC 21 2000

DEPT. OF INSURANCE
BY CO

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:)
)
KIRK MARTIN STOCK,)
)
Respondent.)
_____)

No. 00A- 193 - INS
CONSENT ORDER

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

FINDINGS OF FACT

1. Kirk Martin Stock ("Respondent") is, and was at all material times licensed to transact life and disability insurance as a non-resident agent, Arizona license number 80336, which license expires July 31, 2001.

COUNT I

2. On July 26, 1999, Respondent was issued an Arizona non-resident agent's license. Respondent listed his home and business address of record as Orem, Utah.

3. On or about July 31, 1999, Respondent moved to Arizona.

4. Respondent did not notify the Department of his change in residency, nor has he applied for an Arizona resident agent's license.

5. In or around April 2000, Respondent began doing business as "The Eagle Benefits Group". Respondent has not filed the name "The Eagle Benefits Group" as an assumed name.

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COUNT II

6. On or about July 18, 2000, Respondent retained American Blast Fax to fax Respondent's advertisement for health insurance to Arizona businesses in the Phoenix metropolitan area. The advertisement was faxed to 5,800 fax numbers on four separate occasions during the period of July 18, 2000 through August 21, 2000.

7. On or about August 8, 2000, Respondent's health insurance advertisement was faxed to one of the Department's facsimile machines.

8. The advertisement included the following statements about the health plan's benefits: "\$10 Doctor Visits," "\$25 Emergency Room," "\$10 Rx Plan," "\$10 Lab/Xray/Test," "Any Doctor Any Hospital," "Unique Discount Plan Offsets Deductible Resulting in No "Out of Pocket" to You!" "Dental and Vision Included," and "Lowest Rates."

9. The advertisement did not disclose any exceptions, restrictions or limitations, nor did it identify the name of the insurer.

10. Respondent contends that he believed the Freedom Care policy, underwritten by Philadelphia American Life Insurance Company, described in the advertisement did, in fact, offer the lowest available rates for a policy of its type.

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COUNT III

11. On or about September 16, 1999, Respondent prepared and submitted an application for health insurance to American National Life Insurance Company of Texas (American National) in the name of Jon Allen and family (Allen Application). The Allen Application was submitted with check number 91 in the amount of \$1,180. The check was written on Respondent's personal checking account at Wells Fargo Bank, account number 00376-85548.

1 8. Respondent's conduct constitutes an unfair method of competition or an unfair or
2 deceptive act or practice in the business of insurance, within the meaning of A.R.S. §20-442.

3 9. Respondent's conduct constitutes the making, issuing or circulating, or causing to be
4 made, issued or circulated, any estimate, illustration, circular, sales material or statement
5 misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised,
6 within the meaning of A.R.S. §20-443(1).

7 10. Respondent's conduct constitutes the making, publishing, disseminating, circulating or
8 placing before the public, or causing, directly or indirectly, to be made, published, disseminated,
9 circulated, or placed before the public, in the form of a notice, circular, pamphlet, letter or poster, or in
10 any other way, any advertisement, announcement, sales material or statement containing any assertion,
11 representation or statement with respect to the business of insurance or with respect to any person in the
12 conduct of his insurance business, which is untrue, deceptive or misleading, within the meaning of
13 A.R.S. §20-444(A).

14 11. Respondent's conduct constitutes the diversion of the monies of an insurer or other
15 person, within the meaning of A.R.S. §20-463(A)(4)(a) and (b).

16 12. Respondent's conduct constitutes the failure to disclose exceptions, reductions and
17 limitations affecting the basic provisions of the policy, within the meaning of A.A.C. R20-6-201(C)(2).

18 13. Respondent's conduct constitutes the failure to identify the insurer, within the meaning
19 of A.A.C. R20-6-201(L).

20 14. Grounds exist for the Director to suspend, revoke, or refuse to renew Respondent's
21 insurance licenses, impose a civil penalty, order restitution and/or order Respondent to cease and desist
22 pursuant to A.R.S. §§20-316(A) and 20-316(C) and §§20-456(A) and 20-456(B)

1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

3 1. Respondent's insurance license is revoked effective immediately upon entry of this
4 Order.

5 2. Respondent shall pay restitution to American National Life Insurance Company of
6 Texas in the amount of one thousand four hundred and seventeen dollars and ninety-five cents
7 (\$1,417.95).

8 DATED AND EFFECTIVE this 20th day of December, 2000.

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10 _____
11 CHARLES R. COHEN
12 Director of Insurance

12 **CONSENT TO ORDER**

13 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and
14 Order.

15 2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and
16 admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law
17 and Order.

18 3. Respondent is aware of his right to notice and a hearing at which he may be represented
19 by counsel, present evidence and examine witnesses. Respondent irrevocably waives his right to such
20 notice and hearing and to any court appeals relating to this Consent Order.

21 4. Respondent states that no promise of any kind or nature whatsoever, except as expressly
22 contained in this Consent Order, was made to him to induce him to enter into this Consent Order and
23 that he has entered into this Consent Order voluntarily.

1 5. Respondent acknowledges that the acceptance of this Consent Order by the Director is
2 solely to settle this matter against him and does not preclude any other agency, officer, or subdivision
3 of this state from instituting civil or criminal proceedings as may be appropriate now or in the future.

4
5 11-21-00

6 Date

Kirk Martin Stock

Kirk Martin Stock

License Number 80336

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8 COPIES of the foregoing mailed/delivered
9 this 21st day of December, 2000, to:

10 Kirk Martin Stock
11 The Eagle Benefits Group
12 1748 E. Cortez Drive
13 Gilbert, Arizona 85234

14 American National Life Insurance Company of Texas
15 One Moody Plaza
16 Galveston, TX 77550-7999

17 United American Insurance Company
18 3700 South Stonebridge Drive
19 P. O. Box 8080
20 McKinney, TX 75070

21 Legion Insurance Company
22 One Logan Square, Suite 1400
23 Philadelphia, PA 19103

Philadelphia American Life Insurance Company
P. O. Box 4884
Houston, TX 77210


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1 Sara M. Begley, Deputy Director
Gerrie L. Marks, Executive Assistant for Regulatory Affairs
2 Mary Butterfield, Assistant Director
Catherine M. O'Neil, Consumer Legal Affairs Officer
3 Maureen J. Catalioto, Supervisor
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2910 North 44th Street, Suite 210
5 Phoenix, Arizona 85018

6 Kirk Martin Stock
1101 Prescott Drive
7 Lawrence, KS 66049

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Curvey Walters Burton

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