

1 Southlake, Texas 76092-1704. The Department was not able to discover a business e-mail
2 address for McCormick.

3 **Unlicensed Activity**

4 4. On or about December 8, 2020, The Department received a written complaint
5 from Chubb National Insurance Company. The complaint alleged that McCormick
6 misrepresented terms and made unauthorized alterations to surplus lines insurance
7 applications for various companies, including a company named A Professional Image Inc.
8 (“API”).

9 5. API is an Arizona business entity registered with the Arizona Corporation
10 Commission since December 24, 1997. API’s statutory address is 1140 South San Jose #1,
11 Mesa, Arizona 85202.

12 6. The Department’s subsequent investigation revealed that McCormick
13 communicated directly to API via email to sell, solicit, and negotiate surplus lines insurance
14 policies as follows:

15 a) On July 23, 2014, McCormick sent API an email message stating, “As you
16 know its [sic] time to renew your E&O coverage. I am attaching two options for you
17 this year. The renewal from Lloyds of London, all terms conditions per expiring. The
18 premium went up this year a bit due to your increase in revenues from 1.4m to
19 1.575m. I am also attaching a quote from the other program that is designed for
20 Answering Services, underwritten by Scottsdale. It has the same limit and deductible.
21 The advantage is that this policy’s Privacy Liability allows for higher limits, and
22 includes fines and penalties. Consider your high percentage of medically related

1 accounts, you may be interested in this higher limit availability du to possible HIPAA
2 violations. Scottsdale is an ‘admitted’ company in your state, therefore there are no
3 additional taxes for fees as on the Lloyds form. The disadvantage is that this form
4 does not allow for that additional 1m limit just for defense, that you have on your
5 Lloyds policy now. (you could consider a higher limit which many are detailed on the
6 quote). Both policies have full limits contingent bodily injury/property damage,
7 specified definition of services, no exclusions for mechanical breakdown or power
8 interruption. Please take a look through both options, and lets set aside a time to talk
9 to figure on how you would like to process.” (Signed, Laura McCormick, Senior
10 Broker, Professional Lines, U.S. Risk Brokers, Inc., Dallas, TX.)

11 b) On July 30, 2015, McCormick sent API an email in which McCormick again
12 engaged API in regards to their renewal for their E&O policy. In that email,
13 McCormick discussed the increase in premium and instructed API how to renew their
14 policy. McCormick signed the email as the Senior Broker with U.S. Risk Brokers,
15 Inc., Dallas, TX.

16 c) On July 28, 2016, McCormick sent API another email where she discussed
17 API’s policy renewal. McCormick signed the email as Senior Vice President,
18 National Practice Leader, Professional Liability, MaketScout, Dallas, TX.

19 d) On July 26, 2017, McCormick sent API an email message stating, “Please see
20 attached renewal terms. There is a small increase which I have been battling for the
21 past two years. This is due to increase in revenue. However, please note that the new
22 coverage has been included for Cyber Extortion.” (Signed Laura McCormick, Senior

1 Vice President Professional lines, MarketScout, Dallas, TX).

2 e) On July 19, 2019, McCormick sent API an email message stating, “Thank you
3 for returning your E&O renewal application. Attached are the renewal terms. All is
4 basically the same as last year – coverages, limits, deductible and premium (actually
5 down about \$14). Please take a look through and let me know if any tweaks need to
6 be made. (Signed Laura McCormick, Senior Vice President Professional Lines,
7 MarketScout, Dallas, TX).

8 f) On July 1, 2020, McCormick sent API an email message stating, “Wanted to
9 let you know personally that I have “retired” from the insurance broker/account
10 management role that I have worked with you over the past many years. I will still be
11 in the industry but outside of a sales and service role. I am very much looking forward
12 to this change! Rest assured that the programs that were put in place are secure and
13 intact at MarketScout Brokerage. From a service standpoint, and simplicity, you may
14 want to designate the agent that handles the rest of your business insurance as the
15 servicing agent. They would submit the applications to the market, and handle the
16 servicing throughout the year. Because of my long term ties to the industry, and our
17 long term business relationship, please don’t hesitate to contact me personally going
18 forward if you have any questions on how coverage applies, contract wording, etc. I
19 seem to recall in our annual reviews we’d make some tweaks based on services, etc.”
20 (Signed Laura McCormick).

21 CONCLUSIONS OF LAW

22 1. The Director has jurisdiction over this matter.

1 Upon receipt of a timely written request for hearing, the Director will issue an order
2 setting the time and place of the hearing.

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4 Effective this 17th day of February, 2021.

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

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15 **COPY** of the foregoing delivered by
16 Certified Mail, Electronic Return Receipt requested,
this 19th day of February, 2021, to:

17 Laura Jeanine McCormick
18 8401 N Central Expressway, Suite 1000

19 Dallas, TX 75225-4405
Lmccormick717@gmail.com

Respondent

20 Laura Jeanine McCormick
21 808 Parkdale Ct

Southlake, TX 76092-1704
Lmccormick717@gmail.com

22 Respondent

1 **COPY** delivered same date to:

2 Deian Ousounov, Regulatory Legal Affairs Officer
Ana Starcevic, Paralegal Project Specialist
3 Catherine M. O’Neil, Consumer Legal Affairs Officer
Steven Fromholtz, Assistant Director, Licensing Division
4 Aqueelah Currie, Licensing Supervisor
Jeff Eavenson, Investigator
5 Linda Lutz, Legal Assistant, Licensing Division
Arizona Department of Insurance and Financial Institutions
6 100 North 15th Avenue, Suite 261
Phoenix, Arizona 85007-2630

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Ana Starcevic for
9 Francine Juarez

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