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STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

No. 23A- 016 -INS

ALEX KNOY

CONSENT ORDER

(National Producer No. 18943277)

Respondent.

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that **Alex Knoy (“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 18943277, with a line of authority in personal lines insurance. The Department first licensed Respondent on October 16, 2018. Respondent’s license is scheduled to expire on January 31, 2026.

2. Respondent’s addresses of record with the Department are as follows: 34975 N North Valley Parkway, Ste. 155, Phoenix, Arizona 85086 (business address); 39520 N. Noble Hawk Ct, Anthem, Arizona 85086 (mailing address); and alexknoy@allstate.com and alexknoy@yahoo.com (emails addresses).

3. On or about January 5, 2023, the Department received a Termination for

1 Cause letter from Allstate Insurance Company (“Allstate”) alleging that Respondent
2 falsified prior coverage information in the insurance applications in order to provide
3 discounts to consumers who otherwise would not qualify for them.

4 4. The Department commenced an investigation into this matter.

5 5. The Department’s investigation determined that Respondent provided false
6 information about previous insurance coverage in the license applications with Allstate in at
7 least four (4) instances.

8 a.) A review of Allstate internal investigative report revealed that Respondent
9 declared a prior insurance coverage with Geico Insurance Company (“Geico”)
10 or Progressive Insurance Company¹ to qualify consumers for Allstate’s Prior
11 Carrier discount. Allstate investigator contacted consumer D.R. as his Prior
12 Insurance Report reflected Allstate from July 26, 2017 to October 21, 2022,
13 and Geico was declared as the insurer from July 27, 2022 to January 2023.
14 D.R. confirmed to Allstate that he had been continuously insured with Allstate
15 for a long time and that his insurer prior to Allstate was Dairyland Insurance
16 Company. D.R. further stated that he did not request a new policy nor was
17 aware that a new policy was written for him during 2022.

18 c) On or about January 25, 2023, the Department, via email correspondence sent
19 to alexknoy@yahoo.com, requested that Respondent provide a response to
20

21 ¹ Per the Allstate policy, a consumer will qualify for the Prior Carrier Discount only if the
22 consumer was insured by 21st Century Insurance, Geico Insurance, Progressive Insurance,
or one of their subsidiaries immediately preceding the Allstate policy inception.

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Allstate’s allegations by February 15, 2023.

c) Respondent provided a response on the same date, January 25, 2023, stating, “the intent was never to falsify information. My intent was to have the consumer raise their bodily injury limits with their prior company as it would give them a higher discount.... but ethically this was incorrect for me to do and I sincerely apologize for my actions.”

e) On or about March 13, 2023, the Department conducted an Examination Under Oath (“EUO”) of Respondent. During the EOU, the Department specifically addressed the four (4) Allstate applications bound by Respondent that contained false information relating to previous coverage.

- Regarding D.R.’s application, Respondent stated that he could not provide an explanation as to the false documents related to the previous coverage with Geico and that the documents he submitted to Allstate were provided by D.R. Respondent, however, denied falsifying prior coverage information on the application and stated that he only advised the customers that if they obtain insurance coverage with a carrier identified on Allstate’s Prior Carrier Discount list, they could cancel the coverage within seven (7) days and then reapply with Allstate to qualify for a lower premium. Respondent further maintained that D.R. probably forgot about Geico insurance as they were likely only insured with Geico for a short time.

- Regarding B.H. and S.H.’s (“Mr. and Ms. H.”) application, Respondent

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sated that he advised S.H. to insure one (1) one of the vehicles, at that time insured with Allstate with limits 25/50, with Geico and raise the limits to 250/500 in order to qualify for a lower premium. Respondent than declared the new Geico policy on the application he submitted for Mr. and Ms. H. with Allstate to qualify them for a lower premium even though the Geico policy was never active.

- Regarding a policy for M.M., Respondent stated that he does not recall his dealing with M.M. but if the application contained false information about prior coverage with Geico he would only use that information to provide a quote to M.M.
- Regarding policy for S.R., Respondent stated that he does not recall his dealings with S.R. but if the application contained false information about prior coverage he would only use that information to provide a quote to S.R.

CONCLUSIONS OF LAW

6. The Director has jurisdiction over this matter.
7. 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).
8. 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).

1 9. Grounds exist, in addition to or instead of any suspension or revocation for the
2 Director to impose a civil penalty of not more than \$250.00 for each unintentional failure or
3 violation up to an aggregate civil penalty of \$2,500.00, or impose a civil penalty of not more
4 than \$2,500.00 for each intentional failure or violation, up to an aggregate civil penalty of
5 \$15,000.00. A.R.S. § 20-295(F).

6 **ORDER**

7 **IT IS HEREBY ORDERED THAT:**

8 1. Alex Know shall immediately pay to the Department a civil money penalty in
9 the amount of **one thousand dollars (\$1,000.00).**

10 Effective this 20th day of April, 2023.

11 *Barbara Richardson*

12 _____
13 Barbara D. Richardson, Director
14 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.

5. Respondent acknowledges and agrees that failure to correct the violations set forth above in this Consent Order, or any repeat findings of the above violations in the

1 future, can result in disciplinary action which may include a greater civil money penalty and
2 suspension or revocation of its license.

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

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

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4-14-2023
DATE



ALEX KNOY
(NATIONAL PRODUCER NO. 18943277)

1 **COPY** of the foregoing delivered via email
this 20th day of April, 2023, to:

2
3 Alex Knoy
34975 N North Valley Parkway, Ste. 155
4 Phoenix, AZ 85086
Respondent

5 Alex Knoy
39520 N. Noble Hawk Ct
6 Anthem, AZ 85086
Respondent

7
8 **COPY** of the foregoing delivered/emailed same date, to:

9 Deian Ousounov, Assistant Director
10 Gio Espinosa, Regulatory Legal Affairs Officer
Ana Starcevic, Paralegal Project Specialist
11 Cathy O'Neil, Consumer Regulatory Affairs Officer
Steven Fromholtz, Division Manager, Licensing
12 Linda Lutz, Legal Assistant, Licensing
Aqueelah Currie, Licensing Supervisor
13 Michael Vukson, Investigator
Arizona Department of Insurance and Financial Institutions
14 100 North 15th Avenue, Suite 261
Phoenix, Arizona 85007-2630

15 Alex Knoy
alexknoy@allstate.com
alexknoy@yahoo.com
16 Respondent

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18 *Ana Starcevic*

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