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STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPARTMENT OF INSURANCE
By *[Signature]*

In the Matter of)	Docket No. 8050
)	
RITA ELAINE BELL, dba)	ORDER
BUDGET INSURANCE ASSOCIATES,)	
)	
Respondent.)	
_____)	

On July 22, 1993, a hearing was held in the above-referenced matter. Respondent was present without counsel. The Arizona Department of Insurance ("Department") was represented by Assistant Attorney General, Kathryn Leonard, Esq.

Based upon the evidence and arguments presented at the hearing, we find as follows:

FINDINGS OF FACT

1. Notice of this hearing was mailed to Respondent at her address of last record.

2. Respondent is, and was since June 26, 1992, licensed as a property and casualty insurance agent in this state (license no. 9447).

3. Commencing around January 1992, Respondent managed an office located in Phoenix and known as "Budget Insurance Associates", which was engaged in the business of selling and servicing automobile insurance policies in this state. There was no licensed individual present on a regular basis at this office prior to the issuance of Respondent's license on June 26, 1992.

4. Between January 2, 1992 and June 26, 1992, Respondent executed at least 43 applications for automobile insurance policies in the capacity of "agent" or "producer".

1 5. Also during this period, "Budget Insurance
2 Associates" of Phoenix took over numerous automobile insurance
3 policies which had been written through other insurance
4 agencies, and Respondent assisted representatives of the
5 Department in attempting to resolve extant complaints arising
6 out of those policies.

7 6. Respondent claims that her husband mailed her
8 application for an insurance agent's license to the Department
9 in or around September 1991, and that she relied upon the
10 statements of her "employers", Norton Kaplan and Ken Unrein, to
11 the effect that as long as she had passed her test and submitted
12 her application her receipt of an actual license was a mere
13 formality and that she could begin "processing applications"
14 without it.

15 7. The Department did not receive an application for
16 a license from Respondent in or around September 1991, and did
17 not issue a license to her at that time.

18 8. Respondent subsequently discovered that she was
19 unlicensed and submitted her application for an insurance
20 agent's license to the Department on or about June 24, 1992, and
21 the license was issued on June 26, 1992.

22 9. Respondent answered "No" to the question "Have
23 you ever been convicted of a felony?" on her June 24, 1992
24 application.

25 10. On October 28, 1992, Respondent submitted an
26 application for renewal of her license to the Department.
27 Respondent answered "No" to the question "Have you ever been
28 convicted of a felony or a misdemeanor that you have not

1 previously informed this Department of in writing in any prior
2 application or renewal application?"

3 11. The record is not clear as to the details of
4 Respondent's criminal record. The Second Amended Notice of
5 Hearing alleges that Respondent was convicted of attempted
6 burglary between 1969 and 1971. Respondent's answer (letter
7 dated May 22, 1993) admits a criminal record involving "drugs".
8 Page 3 of State's exhibit B(2) is a November 16, 1992 letter
9 from the Department to Respondent referencing a "rap sheet"
10 reflecting a criminal record involving drugs and burglary at a
11 felony level. Respondent apparently never responded to this
12 letter. Respondent's testimony did not provide a precise
13 description of her conviction or convictions.

14 12. In any event, Respondent admits that her answers
15 to the subject questions on her applications are false, that she
16 knew them to be false when she submitted the applications, but
17 that she believed her felony convictions were too old to be
18 relevant to her applications, that she did not want her husband
19 to know about her convictions, and so she decided not to
20 disclose them.

21 CONCLUSIONS OF LAW

22 1. The Director has jurisdiction in this matter
23 pursuant to A.R.S. §20-142.

24 2. Notice of this hearing was proper pursuant to
25 A.R.S. §§20-163 and 41-1061.

26 3. Respondent has transacted a business of insurance
27 in this state, or relative to a subject of insurance resident,
28 located or to be performed in this state, without complying with

1 the applicable provisions of A.R.S. Title 20, in violation of
2 A.R.S. §20-107(A).

3 4. Respondent has acted as and held herself out to
4 be an agent without being licensed therefor, in violation of
5 A.R.S. §20-287(A).

6 5. Respondent has solicited and taken applications
7 for kinds of insurance for which she was not then licensed, in
8 violation of A.R.S. §20-287(B).

9 6. Respondent's conduct constitutes the existence of
10 any cause for which original issuance or any renewal of
11 Respondent's license could have been refused, within the meaning
12 of A.R.S. §20-316(A)(1) together with A.R.S. §20-290(B)(1).

13 7. Respondent's conduct constitutes the existence of
14 misrepresentation or fraud in obtaining or attempting to obtain
15 any insurance license, in violation of A.R.S. §20-316(A)(3).

16 8. With respect to her conduct in providing false
17 information on her application, Respondent's conduct constitutes
18 the wilful violation of, or wilful noncompliance with, the
19 provisions of A.R.S. Title 20, within the meaning of A.R.S.
20 §20-316(A)(2).

21 ORDER

22 NOW, THEREFORE, IT IS ORDERED:

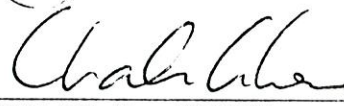
23 Revoking the insurance license of Rita Elaine Bell,
24 effective immediately.

25 The aggrieved party may request a rehearing with
26 respect to this Order by filing a written petition with the
27 Hearing Officer within 30 days of the date of this Order,
28

1 setting forth the basis for such relief pursuant to A.A.C.
2 R4-14-114(B).

3 DATED this 30th day of July , 1993.

4
5 
6 SUSAN GALLINGER
7 Director of Insurance

8
9 
10 CHARLES R. COHEN
11 Hearing Officer

12 COPY of the foregoing mailed/delivered
13 this 30th day of July , 1993, to:

14 Kathryn Leonard, Esq.
15 Assistant Attorney General
16 1275 W. Washington
17 Phoenix, Arizona 85007

18 Jay Rubin, Assistant Director
19 Maureen Catalioto, Supervisor
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24 Rita E. Bell
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28 Rita E. Bell
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Rita E. Bell
8540 N. Central Ave., Unit 24
Phoenix, Arizona 85020-3577

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Coronet Insurance Company
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Chris Crawford
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