

STATE OF ARIZONA
FILED

JAN 21 1996

1 372:CPA95-138:bjb

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3 STATE OF ARIZONA
4 DEPARTMENT OF INSURANCE

DEPARTMENT OF INSURANCE
By KHL

5 In the Matter of:

6 **RICHARD EARL BREDAHL, dba**
7 **ACTION INSURANCE AGENCY, (DKA)**

8 Respondent.

Docket No. 95-189

9
10 **CONSENT ORDER**

11 A Notice of Hearing was issued by the Director ("Director") of the Arizona Department of
12 Insurance (the "Department") on December 8, 1995, wherein the Department made certain allegations
13 of violations of A.R.S. Title 20 committed by Respondent. Respondent received a copy of this Notice.
14 Respondent has been advised of his right to a hearing in this matter, which he waives.

15 Respondent admits the following Findings of Fact are true and consents to the entry of the
16 following Conclusions of Law and Order.

17 FINDINGS OF FACT

18 1. Respondent Richard Earl Bredahl, dba Action Insurance Agency ("Mr. Bredahl") is
19 currently licensed as a life and disability and property and casualty agent in the State of Arizona
20 (License No. 142529).

21 2. Mr. Bredahl is owner/operator of Action Insurance Agency. Mr. Bredahl failed to
22 file a Certificate of Assumed Business Name as required by A.R.S. § 20-318.

23 3. On August 25, 1982 an Amended Order was issued In the Matter of Richard Earl
24 Bredahl, Docket No. 5013, revoking the insurance broker license held by Mr. Bredahl upon a finding
25 that Mr. Bredahl had illegally withheld monies belonging to a policyholder in violation of A.R.S. §
26 20-316.

27 4. On or about September 15, 1994, Mr. Bredahl issued an insurance binder through
28 Midland Risk Insurance Company to John M. Conley ("Conley") to cover a 1985 Pontiac Grand Prix
Conley had just leased from Alpha Auto Leasing, Inc. ("Alpha").

5. To effectuate this binder, Mr. Bredahl requested basic information from Conley over

1 the telephone and subsequently faxed a copy of an ADOT card to Alpha.

2 6. The ADOT card Alpha received showed Midland Risk as the insurer and the period
3 of coverage from September 15, 1994 through September 15, 1995.

4 7. Mr. Bredahl had no authority from Midland Risk to bind coverage over the telephone.

5 8. When Conley failed to appear at Mr. Bredahl's office to make a down payment on
6 the coverage the next day, Mr. Bredahl mailed Conley a notice that the coverage would lapse at 5:00
7 p.m. September 16, 1994, if Conley did not meet with Respondent and make a down payment.

8 9. Mr. Bredahl had no further contact with Conley, nor did he advise Alpha, the lease
9 holder, that no policy had been issued on the Pontiac.

10 10. When coverage is validly issued and then canceled, the lease holder receives notice
11 from the insurer the insured may be driving the leased vehicle without coverage. This notice gives
12 the lease holder time to take appropriate action to protect their vehicle.

13 11. On or about September 28, 1994, Conley was involved in a motor vehicle accident.
14 As a result of the accident the Pontiac was a total loss.

15 12. On or about November 7, 1994, Alpha called Mr. Bredahl to submit a claim against
16 Midland Risk on the Pontiac. Mr. Bredahl agreed to begin the process.

17 13. Midland Risk never received an application or premium on behalf of Conley or Alpha
18 and so had never issued a policy to cover the Pontiac.

19 14. Mr. Bredahl has personally fully satisfied Alpha's claim.

20 CONCLUSIONS OF LAW

21 1. The Department has jurisdiction in this matter.

22 2. Mr. Bredahl transacted insurance under an assumed name without filing a Certificate
23 of Assumed Business Name with the Department as required by A.R.S. § 20-318(A).

24 3. Mr. Bredahl's conduct described above constitutes conduct of affairs under his
25 licenses showing the licensee to be incompetent or a source of injury and loss to, or repeated
26 complaint by, the public or any insurer in violation of A.R.S. § 20-316(A)(7).

27 4. Mr. Bredahl's failure to file a certificate of assumed business name in violation of
28 A.R.S. § 20-318(A) constitutes a wilful violation of, or wilful noncompliance with, any provision of

1 this title, or any lawful rule, regulation or order of the director in violation of A.R.S. § 20-316(A)(2).

2 5. Mr. Bredahl has a record of suspension or revocation of an insurance license in any
3 jurisdiction within the meaning of A.R.S. § 20-316(A)(5).

4 6. Grounds exist for the Director to suspend, revoke or refuse to renew Mr. Bredahl's
5 insurance licenses, impose a civil penalty upon him, and/or order restitution, pursuant to A.R.S. §§
6 20-316(A) and 20-316(C).

7 ORDER

8 NOW, THEREFORE, IT IS ORDERED:

9 1. Mr. Bredahl shall file a Certificate of Assumed Business Name within 10 days from
10 the date of entry of this Order.

11 2. Mr. Bredahl shall pay a civil penalty in the amount of \$750.00 to the Director, within
12 30 days from the date of the entry of this Order, for remission to the State Treasurer for deposit in the
13 State General Fund.

14 3. The hearing set for January 23, 1996 at 9:00 a.m. is vacated by entry of this Order.

15 DATED at Phoenix, Arizona, this 22 day of January, 1996.

16
17 
18 CHRIS HERSTAM, Director
Arizona Department of Insurance

19 CONSENT TO ORDER

20
21 1. Richard Earl Bredahl, dba Action Insurance Agency, has reviewed the attached
22 Order.

23 2. Richard Earl Bredahl, dba Action Insurance Agency, is aware of his right to
24 a hearing at which hearing he may be represented by counsel, present evidence and cross-
25 examine witnesses. Richard Earl Bredahl, dba Action Insurance Agency, irrevocably waives
26 his right both to demand a public hearing and to seek judicial review of this Consent Order.

27 3. Richard Earl Bredahl, dba Action Insurance Agency, admits the jurisdiction
28 of the Director of Insurance, State of Arizona, and consents to the entry of this Order.

1 4. Richard Earl Bredahl, dba Action Insurance Agency, states that no promise of
2 any kind or nature has been made to induce him to enter into this Order and that he has entered
3 into this order voluntarily.

4 5. Richard Earl Bredahl, dba Action Insurance Agency, acknowledges that the
5 acceptance of this Order by the Director of Insurance, State of Arizona, is solely to settle this
6 matter against him and does not preclude any other agency or officer of this state or
7 subdivision from instituting other civil or criminal proceedings as may be appropriate now or
8 in the future.

9
10 Date 1/19/96


RICHARD EARL BREDAHL, DBA
ACTION INSURANCE AGENCY

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12
13 COPY of the foregoing mailed
14 this 22 day of January,
1996, to:

15 Kathryn L. Leonard
16 Assistant Attorney General
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18 Phoenix, Arizona 85018

19 Charles R. Cohen, Deputy Director
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