



1           3.       ARS mailed an original Engagement Agreement to P&P to obtain Lunt's  
2 signature. The original Engagement Agreement contains the proposed coverage and  
3 premium rate information.

4           4.       On or about March 26, 2009, P&P returned the original Engagement Agreement  
5 to ARS without Lunt's knowledge.

6           5.       P&P presented an altered version of the original Engagement Agreement  
7 representing inflated premium rates to Lunt and provided him a copy of the executed altered  
8 Engagement Agreement for his records.

9           6.       P&P has no authority to bind Westport to a contract of insurance other than to  
10 the terms prescribed in the original Engagement Agreement and Schedule of Insurance issued  
11 by Westport.

12          7.       Upon issuance of the policy, Westport mailed an original Schedule of Insurance  
13 to P&P to forward to Dawson. P&P failed to provide a copy of the original Schedule of  
14 Insurance to Dawson but presented it with an altered version of the Schedule of Insurance  
15 reflecting the inflated premium rates.

16          8.       Trident Plan Administrators ("Trident") is the third party administrator contracted  
17 with Dawson to process its self-funded medical and dental employee benefit plans.

18          9.       P&P created and forwarded a rate sheet to Trident reflecting the higher rates to  
19 be billed to Dawson matching those as described on the altered Engagement Agreement and  
20 Schedule of Insurance.

21          10.       As a result of P&P's actions, Dawson overpaid P&P \$41,379.00 in additional  
22 premium for the 2009-2010 policy year.

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1 11. P&P repeated the same behavior for the 2010-2011 and 2011-2012 renewal  
2 policies resulting in \$41,083.00 (2010-2011 policy year) and \$14,830.00 (2011-2012 policy  
3 year) in overcharges to Dawson..

4 12. In or around August 2011, Dawson discovered the series of altered documents.

5 13. On August 30, 2011, P&P sent an e-mail to Dawson offering to lower their  
6 premium rates. P&P does not have any authority to reduce premium rates on behalf of  
7 Westport or ARS. P&P created and forwarded a revised rate sheet to Trident reflecting the  
8 correct rates to bill Dawson.

9 14. Pomeroy denies any knowledge of how the Dawson documents were altered and  
10 voluntarily refunded the \$97,292.00 of overcharges to Dawson.

#### 11 **CONCLUSIONS OF LAW**

12 1. The Director has jurisdiction over this matter.

13 2. Respondent's conduct, as described above, constitutes intentionally  
14 misrepresenting the terms of an actual or proposed insurance contract or application for  
15 insurance, within the meaning of A.R.S. §20-295(A)(5).

16 3. Respondent's conduct, as described above constitutes using fraudulent, coercive  
17 or dishonest practices, or demonstrating incompetence, untrustworthiness or financial  
18 irresponsibility in the conduct of business in this state or elsewhere, within the meaning of  
19 A.R.S. §20-295(A)(8).

20 4. Grounds exist for the Director to suspend, revoke, or refuse to renew  
21 Respondent's insurance license, impose a civil penalty and/or order restitution pursuant to  
22 A.R.S. §§20-295(A) and (F).

23 ...

1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

3 1. Respondent's license is suspended for sixty (60) days effective immediately  
4 upon entry of this Order during which time Respondent may not sell, solicit, negotiate any new  
5 insurance business within the meaning of A.R.S. §§ 20-281(10), (14) and (15).

6 2. Respondent shall pay a civil penalty in the amount of \$15,000.00 immediately  
7 upon entry of this Order for deposit into the State General Fund.

8 DATED AND EFFECTIVE this 11<sup>th</sup> day of January, 2012.

9  
10   
11 \_\_\_\_\_  
12 CHRISTINA URIAS  
13 Director of Insurance

14 **CONSENT TO ORDER**

15 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law  
16 and Order.

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

20 3. Respondent is aware of his right to notice and a hearing at which he may be  
21 represented by counsel, present evidence and examine witnesses. Respondent irrevocably  
22 waives his right to such notice and hearing and to any court appeals relating to this Consent  
23 Order.  
24

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

4           5.     Respondent acknowledges that the acceptance of this Consent Order by the  
5 Director is solely to settle this matter against him and that a violation of this order is grounds  
6 for the Director to revoke his license and to institute criminal proceedings pursuant to A.R.S.  
7 §13-3714.

8           6.     Respondent acknowledges that this Consent Order is an administrative action  
9 that the Department will report to the National Association of Insurance Commissioners (NAIC)  
10 and that he will have to report this administrative action on any future licensing applications  
11 either to the Department or other states' Departments of Insurance.

12     1/10/2012

13     Date



13     Thomas Robert Pomeroy dba Pomeroy & Pomeroy,  
14     License No. 92091

15     COPIES of the foregoing mailed/delivered  
16     this 13th day of January, 2012, to:


17     Thomas Robert Pomeroy  
18     3134 N. 7<sup>th</sup> Street  
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20     (Respondent)

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22     Jones, Skelton & Hochuli  
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24     Phoenix, AZ 85012  
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3  
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