

APR 17 2015

DEPT OF INSURANCE
BY ms

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:

MADISON, VERDELL DENISE
(Arizona License Number 813293)
(National Producer Number 6740545)

Respondent.

No. 15A.036-INS
CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that **Verdell Denise Madison** violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Verdell Denise Madison ("Madison" or "Respondent") is, and was at all material times, licensed as an Arizona resident accident/health, life, property, and casualty insurance producer, Arizona license number 813293, which expires August 31, 2016.
2. Madison's business address of record is: c/o AAA Arizona, Inc., 2375 East Camelback Road, Ste-500, Phoenix, AZ 85016.
3. Madison has been affiliated with AAA Arizona, Inc. ("AAA") for twelve (12) years.

1 4. On or about January 6, 2015, Lawrence and Joanne Backs ("the Backs")
2 filed a "Request for Assistance" ("Complaint") with the Department. The Complaint
3 alleged that Madison made a misrepresentation regarding the availability of recreational
4 vehicle ("RV") coverage through AAA.

5 5. On or about December 12, 2014, at the AAA Peoria Branch Office,
6 Madison met with the Backs, existing AAA members and policyholders, who were
7 interested in obtaining a RV policy.

8 6. Madison advised the Backs that AAA no longer provided RV coverage but
9 offered RV insurance through other carriers. She prepared quotes for their review from
10 three (3) carriers: National General ("National"), Progressive, and Foremost Insurance
11 Group.

12 7. The Backs purchased the National policy which purportedly had the least
13 expensive annual premium at \$373.50.

14 8. The Backs subsequently discovered through a AAA brochure that AAA
15 provided RV coverage and contacted AAA via their toll-free number to purchase an RV
16 policy for \$170.00.

17 9. The Backs immediately cancelled the National policy; National remitted a
18 full refund of the premium to the Backs.

19 10. On or about March 9, 2014, in a response to the Department's inquiry,
20 Madison acknowledged that she provided the Backs with incorrect information
21 regarding RV coverage available through AAA.

22 11. Madison also admitted shredding the National General policy the Backs
23 signed after learning the policy had been cancelled.

1 **CONCLUSIONS OF LAW**

2 1. The Director has jurisdiction over this matter.

3 2. Respondent's conduct, as described above, constitutes a violation of Title
4 20, within the meaning of A.R.S. § 20-295(A)(2).

5 3. Respondent's conduct, as described above, constitutes a failure to retain
6 all records for three years from date of completion of the transaction, a violation of Title
7 20, within the meaning of A.R.S. § 20-290(A).

8 4. Respondent's conduct, as described above, constitutes demonstrating
9 incompetence, untrustworthiness or financial irresponsibility in the conduct of business
10 in this state, within the meaning of A.R.S. § 20-295(A)(8).

11 5. Grounds exist for the Director to deny, suspend for not more than twelve
12 months, revoke, or refuse to renew an insurance producer's license pursuant to A.R.S.
13 § 20-295(A).

14 6. In addition to or instead of any suspension, revocation or refusal to renew
15 a license, the Director may impose a civil penalty of not more than two hundred fifty
16 dollars (\$250) for each unintentional failure or violation, up to an aggregate amount of
17 two thousand five hundred dollars (\$2,500), or impose a civil penalty of not more than
18 two thousand five hundred dollars (\$2,500) for each intentional failure or violation, up to
19 an aggregate amount of fifteen thousand dollars (\$15,000), pursuant to A.R.S. § 20-
20 295(F).

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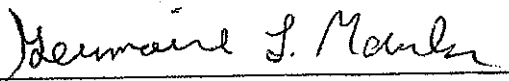
23 ...

1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

3 1. Respondent shall immediately pay a civil penalty of \$500.00 for deposit
4 into the State General Fund.

5 DATED AND EFFECTIVE this 16th day of April, 2015.

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7 
8 **GERMAINE L. MARKS**
9 Director of Insurance

10 **CONSENT TO ORDER**

11 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of
12 Law and Order.

13 2. Respondent admits the jurisdiction of the Director of Insurance, State of
14 Arizona, and admits the foregoing Findings of Fact and consent to the entry of the
15 foregoing Conclusions of Law and Order.

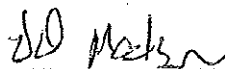
16 3. Respondent is aware of her right to notice and hearing at which she may
17 be represented by counsel, present evidence and examine witnesses. Respondent
18 irrevocably waives her right to such notice and hearing and to any court appeals relating
19 to this Consent Order.

20 4. Respondent states that no promise of any kind or nature whatsoever,
21 except as expressly contained in this Consent Order, was made to her to induce her to
22 enter into this Consent Order and that she has entered into this Consent Order
23 voluntarily.

1 5. Respondent acknowledges that the acceptance of this Consent Order by
2 the Director is solely to settle this matter against her and does not preclude any other
3 agency, including the Department, officer, or subdivision of this state or this agency
4 from instituting civil or criminal proceedings as may be appropriate now or in the future.

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

10
11 4-9-2015
Date


Verdell Denise Madison, Arizona License #813293

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19 COPIES of the foregoing mailed/delivered
this 17th day of April, 2015, to:

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21 Katie Brown
c/o AAA Arizona, Inc.
2375 E. Camelback Rd., Ste-500
22 Phoenix, AZ 85016
Attorney for Respondent
23

1 Darren T. Ellingson, Deputy Director
Mary Kosinski, Executive Assistant for Regulatory Affairs
2 Yvonne Hunter, Consumer Affairs Assistant Director
Catherine M. O'Neil, Consumer Legal Affairs Officer
3 Steve Fromholtz, Licensing Supervisor
Charles Gregory, Investigations Supervisor
4 Wendy Greenwood, Investigator
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2910 North 44th Street, Suite 210
6 Phoenix, Arizona 85018

7 Maidene Scheiner
8 Maidene Scheiner

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