

SEP 18 2017

STATE OF ARIZONA

DEPARTMENT OF INSURANCE DEPT OF INSURANCE
BY MS

In the Matter of:

SCHULZE, JENNIFER LYNN
(National Producer No. 14428719)
(Legacy AZ License No. 947425)

No. 16A-166-INS

ORDER

Respondent.

On September 14, 2017, the Office of Administrative Hearings, through Administrative Law Judge Dorinda M. Lang, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Department of Insurance ("Director") on September 14, 2017, a copy of which is attached and incorporated by this reference. The Interim Director of the Department of Insurance has reviewed the Recommended Decision and enters the following Order:


1. The Interim Director adopts the Recommended Findings of Fact and Conclusions of Law.
2. The Interim Director revokes the Arizona resident insurance producer license, National Producer No. 14428719, of **Jennifer Lynn Schulze** effective immediately.

NOTIFICATION OF RIGHTS

Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Respondent may request a rehearing with respect to this order by filing a written motion with the Interim Director of the Department of Insurance within 30 days of the date of this Order, setting forth the basis for relief under A.A.C. R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to Superior Court.

1 Respondent may appeal the final decision of the Interim Director to the Superior
2 Court of Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an
3 appeal must notify the Office of Administrative Hearings of the appeal within ten days after
4 filing the complaint commencing the appeal, pursuant to A.R.S. § 12-904(B).

5 DATED this 14th day of September, 2017.

6
7 
8 Leslie R. Hess, Interim Director
Arizona Department of Insurance

9 COPY of the foregoing mailed this
10 18th day of September, 2017, to:

11 Patrick J. Geare, Esq.
12 The Law Office of Patrick J. Geare
13 1883 West Grubstake Drive
Tucson, AZ 85746
Attorney for Respondent

14 Mary Kosinski, Regulatory Legal Affairs Officer
15 Catherine O'Neil, Consumer Legal Affairs Officer
16 Steven Fromholtz, Assistant Director – Consumer Protection Division
17 Wendy Greenwood, Investigator
18 Sharyn Kerr, Consumer Protection Division
Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

19 Liane Kido
Assistant Attorney General
1275 West Washington Street
Phoenix, Arizona 85007-2926

21 Office of Administrative Hearings
1400 West Washington, Suite 101
22 Phoenix, Arizona 85007

23 
24 Maidene Scheiner

25
26

SEP 14 2017

DEPT. OF INSURANCE
BY: MEK

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of:

No. 16A-166-INS

SCHULZE, JENNIFER LYNN
(National Producer Number 14428719)
(Legacy AZ License Number 947425)

ADMINISTRATIVE LAW JUDGE

DECISION

Respondent.

HEARING: September 11, 2017

APPEARANCES: Liane C. Kido, Attorney for the Department of Insurance;
Wendy Greenwood, Department witness; Susan Hack and Craig McGuire, observers

ADMINISTRATIVE LAW JUDGE: Dorinda M. Lang

Having heard the evidence and testimony in this matter, the undersigned
Administrative Law Judge hereby recommends that Respondent's licenses be revoked
based on violations of A.R.S. § 20-295(A)(5) and (8).

FINDINGS OF FACT

1. Respondent, Jennifer Lynn Schulze, is licensed with the Arizona Department of Insurance as a casualty producer, accident/health producer, life producer, and property producer.
2. During an investigation into her activities, evidence was revealed that Respondent falsified an insurance policy for a potential client whose application for insurance had not yet been underwritten and approved.¹ She also made several false copies of Certificates of Liability Insurance for the client for various Certificate Holders.² Respondent admitted to the violations to an investigator.³ She indicated to the investigator that the situation arose when the potential client was in a crisis and needed proof of insurance quickly. In an effort to help them,

¹ Exhibits 13 and 14.

² Exhibits 5 through 12.

³ Exhibit 15.

1 Respondent falsified a policy but the client's application was not approved and
2 she failed to inform the client that its application was denied.

- 3 3. Respondent also moved to a new home in or around December 2015 and did not
4 report it to the Department, which she also acknowledged to the investigator.⁴
5 4. Respondent's attorney made an untimely request for a continuance that was not
6 supported by good cause and did not offer any basis for finding that it should be
7 considered timely. Although notified by email the same day that he filed it that
8 the motion was denied, neither Respondent nor her attorney appeared at the
9 hearing.
10 5. Respondent's attorney contacted the Arizona Office of Administrative Hearings
11 after the hearing was over to state that he had not opened his email until 3:00
12 p.m. that day and was not aware that his request for a continuance had been
13 denied the previous Friday. He moved for a reconsideration of his request for
14 continuance, but it was denied because nothing in Respondent's attorney's
15 actions indicated that he had any reasonable basis for making the motion or for
16 failing to appear at the hearing.
17 6. Based on the violations that Respondent admitted to, the Department proposed
18 that Respondent's licenses be revoked.

19 CONCLUSIONS OF LAW

- 20 1. This hearing was conducted in accordance with Arizona Revised Statutes
21 ("A.R.S.") § 41-1092.01 *et seq.* Complainant has the burden of proof and the
22 standard of proof on all issues is by a preponderance of the evidence. See
23 Arizona Administrative Code ("A.A.C.") R2-19-119.
24 2. Pursuant to A.R.S. § 20-295(A)(5), the Department Director may deny, revoke,
25 suspend or refuse to renew a license for intentionally misrepresenting the terms
26 of an insurance policy. By issuing documentation indicating that her client was
27 covered by an insurance policy that did not exist, Respondent violated this
28 portion of the statute.
29
30

⁴ Exhibits 15 through 17.

- 1 3. A.R.S. § 20-295(A)(8) provides that demonstrating untrustworthiness in the
2 conduct of business is also grounds for license discipline. By allowing anyone to
3 believe that an insurance policy had been accepted on her clients' behalf,
4 Respondent violated this portion of the statute.
- 5 4. A.R.S. § 20-295(A)(2) provides for disciplinary action for violating any provision
6 of that statutory title. To that effect, A.R.S. § 20-286(C)(1) provides that all
7 licensees must inform the Director of any change in their residential, business, or
8 e-mail address within 30 days. Respondent failed to do this as well, though this
9 violation is not nearly as serious as the others.
- 10 5. Respondent admitted to the above violations to the Department investigator.
11 Although she may have been pressured to falsify the insurance policy by feelings
12 of compassion, licensees are called upon to rise above such temptations and
13 understand that violating the Arizona licensing statutes results in more harm to
14 the public than any good such a desperate act could do. In this respect, even
15 though Respondent's violations may seem understandable given the
16 circumstances, they show that Respondent's talents, while most likely well suited
17 for something nice, are not appropriate for insurance sales in Arizona.
18 Therefore, it must be recommended that Respondent's licenses be revoked.

19 **RECOMMENDED DECISION**

20 Based on the foregoing considerations, the undersigned Administrative Law
21 Judge hereby recommends that Respondent's Arizona licenses (National Producer
22 Number 14428719 and Legacy AZ License Number 947425) be revoked.

23 Done this day, September 14, 2017.

24 /s/ Dorinda M. Lang
25 Administrative Law Judge

26
27 Transmitted electronically to:

28 Leslie R. Hess, Interim Director
29 Arizona Department of Insurance
30