

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:

No. 20A-030-INS

KALEL, EDDE
(National Producer No. 8896768)

CONSENT ORDER

And

GUARDIAN AGENCY PARTNERS
(National Producer No. 18795629)

Respondents.

The Arizona Department of Insurance (“Department”) has received evidence that **Edde Kalel (“Kalel” or “Respondents”)** and **Guardian Agency Partners (“Guardian” or Respondents”)** violated provisions of Title 20, Arizona Revised Statutes (“A.R.S”). Respondents wish to resolve this matter without the commencement of formal proceedings, and admit the following Finding of Fact are true, and consent to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Kalel is, and was at all material times, licensed as an Arizona resident insurance producer with five lines of authority: life, accident and health, and sickness, casualty, property, and variable life and variable annuity. Kalel’s license, number 8896768, was last renewed on July 1, 2017, and it is scheduled to expire on June 30, 2021.

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1 insurance coverage that he/she would otherwise have not qualified for. Travelers further
2 alleged that Kalel performed this action on sixty-six (66) of ninety-one (91) new applications
3 submitted between June and August, 2019.

4 7. Travelers alleged Kalel told their investigator that he had been instructed by his
5 Marketing Representative (“REP”) that this action was permissible. Travelers advised the
6 Department that the REP told their investigator that she advised Kalel he could only use the
7 credit score of an applicant’s spouse to rate a policy and denied instructing Kalel it was
8 permissible to use someone else’s credit score.

9 8. Travelers provided the Department with an email string between Kalel and the
10 REP in which Kalel asked the REP to re-rate a quote using the applicant’s spouse’s credit
11 score. Travelers advised the Department that using the credit score of a spouse was the only
12 exception to the policy forbidding using another person’s credit score for rating purposes,
13 which supported the REP’s statements.

14 9. Travelers further provided the Department with an email that Kalel sent to the
15 Travelers’ investigator following his interview. In this email, Kalel admits his culpability and
16 apologizes for his actions to the investigator.

17 10. On January 13, 2020, the Department interviewed the REP regarding her
18 involvement in this matter. The REP confirmed her email exchange with Kalel stating she
19 instructed Kalel that it was permissible to only use the applicant’s spouse’s credit score to
20 rate policy quotes. The REP confirmed that she met with Kalel in June 2019 regarding his
21 sales but denied telling him he could use someone else’s credit score to rate a policy quote.

22 11. On January 14, 2020, the Department conducted an Examination Under Oath

1 (“EUO”) with Kalel. Kalel confirmed Travelers allegation by admitting he did use the credit
2 score of others in order to rate new applicants for insurance policies.

3 12. In June 2019, Kalel made statements that he had been instructed by the REP
4 that he could use the credit scores of other people in order to get an applicant approved for a
5 policy and increase his sales that way. Kalel confirmed the email exchange with the REP
6 regarding the use of a spouse’s credit score to re-rate a policy. Kalel further admitted he had
7 no written documentation of the REP instructing him to use the credit score of others to
8 complete insurance applications with Travelers.

9 13. Kalel stated that prior to June 2019, he knew he could not use someone else’s
10 credit score to rate policies. He stated that he implemented this practice only after the REP
11 advised him that he is allowed to do so. Kalel has not provided documentation supporting his
12 allegation that the REP advised him it was allowed to use other’s credit score information.

13 14. Following the EUO, the Department discovered two additional complaints
14 filed against Kalel, one of which was filed by State Farm Insurance (“State Farm”) in 2016
15 and the other was filed by an Arizona Consumer (“Consumer”) in 2018.

16 15. The State Farm complaint alleged that Kalel quoted and performed underwriter
17 reports containing sensitive personal information for thirty-five (35) individuals without
18 these individuals’ knowledge or consent. Kalel admitted to State Farm that he “recycled”
19 many of the quotes to improve his closing ratio by opening prior auto quotes and changing
20 the data, to generate a new quote out of an existing quote.

21 16. The Department did not take an enforcement action against Kalel based on the
22 2016 State Farm complaint at that time.

1 fact with respect to the application for the issuance of an insurance policy, and the rating of
2 an insurance policy, within the meaning of A.R.S. § 20-463(A)(1)(a) and (b).

3 5. Grounds exist for the Director to suspend for not more than twelve months or
4 revoke Respondents' insurance producer license, pursuant to A.R.S. § 20-295(A) and (B).

5 **ORDER**

6 IT IS HEREBY ORDERED THAT:

7 1. The insurance producer license of **Edde Kalel**, is suspended 180 calendar
8 days, effective June 1, 2020 through November 28, 2020.

9 2. The insurance producer license for **Guardian Agency Partners**, is suspended
10 180 calendar days, effective June 1, 2020 through November 28, 2020.

11 Effective this **24th** day of **April**, 2020.

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15 Scott Greenberg, Deputy Director
16 for Christina Corieri, Interim Director
17 Arizona Department of Insurance

18 **CONSENT TO ORDER**

19 1. Respondents have reviewed the foregoing Findings of Fact, Conclusions of
20 Law and Order.

21 2. Respondents admit to the jurisdiction of the Director of the Arizona
22 Department of Insurance and admit the foregoing Findings of Fact and consent to the entry
23 of the foregoing Conclusions of Law and Order.

1 3. Respondents are aware of their right to notice and to a hearing, at which they
2 may be represented by counsel, present evidence and examine witnesses.

3 4. Respondents irrevocably waive their right to such notice and hearing and to
4 any court appeals relating to this Consent Order.

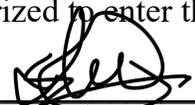
5 5. Respondents state that no promise of any kind or nature whatsoever, except as
6 expressly contained in this Consent Order, was made to induce them to enter into this
7 Consent Order and that they have entered into this Consent Order voluntarily.

8 6. Respondents acknowledge that the acceptance of this Consent Order by the
9 Director is solely to settle this matter against them and does not preclude any other agency,
10 officer, or subdivision of this state including the Department from instituting civil or criminal
11 proceedings as may be appropriate now or in the future not related to this matter.

12 7. Respondents acknowledge that this Consent Order is an administrative action
13 that the Department will report to the National Association of Insurance Commissioners
14 (NAIC). Respondents further acknowledge that they must report this administrative action to
15 any and all states in which they hold an insurance license and must disclose this
16 administrative action on any license application.

17 8. Edde Kalel represents that he is the sole owner and manager of Guardian
18 Agency Partners and, as such, is authorized to enter this Consent Order on its behalf.

19 4/17/2020
Date


Edde Kalel (NPN License No. 8896768)

Guardian Agency Partners (NPN License No. 18795629)

21 4/17/2020
22 Date


Edde Kalel, Member

1 **COPY** of the foregoing delivered by U.S. First-Class Mail
2 this **24th** day of **April**, 2020, to:

3 Edde Kalel
4 Guardian Agency Partners
5 4700 S Mill Ave, STE 5
6 Tempe, AZ 85282-6736
7 Respondent

8 Guardian Agency Partners
9 4700 S Mill Ave, STE 5
10 Tempe, AZ 85282
11 Respondent

12 **COPY** delivered same date to:

13 Mary Kosinski, Regulatory Legal Affairs Officer
14 Ana Starcevic, Paralegal Project Specialist
15 Catherine M. O’Neil, Consumer Legal Affairs Office
16 Steven Fromholtz, Assistant Director, Consumer Protection Division
17 Aqueelah Currie, Licensing Supervisor
18 Jeff Eavenson, Investigator
19 Linda Lutz, Legal Assistant
20 Arizona Department of Insurance
21 100 North 15th Avenue, Suite 261
22 Phoenix, Arizona 85007-2630

23 **COPY** delivered electronically, same date to:

24 Edde Kalel
25 eddie@guardianagencyins.com
26 service@guardianagencyins.com
27 Respondent

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29 _____
30 Francine Juarez
31
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