

JUN 13 1996

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY KNK

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In the Matter of)	Docket No. 95A-274-INS
)	
DAN CALVIN VANDER MOLEN and)	
DISCOUNT INSURANCE GROUP, INC.)	ORDER
)	
Respondents.)	
_____)	

On June 4, 1996, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal, submitted "Recommended Findings of Fact, Conclusions of Law and Recommended Order", a copy of which is attached and incorporated by this reference. The Director of the Arizona Department of Insurance has reviewed these recommendations, and enters the following order:

1. The Recommended Findings of Fact and Conclusions of Law are adopted except Recommended Findings 9, 28, 32, 49, which are rejected and replaced with the following:

9. The Department contends that the Agreement utilized by Respondents does not conform to Arizona's non-cancellation law set forth in A.R.S. §20-1631 et seq. Further, the Department contends that the language of the Agreement falsely represents the manner in which motor vehicle coverage may be canceled pursuant to Arizona law.

28. The Agreement Mr. Moore executed provided Discount with the authority to act on behalf of Mr. Moore with respect to the initial Nova application.

32. On February 23, 1994, Transwestern contacted Discount and requested that the Supplement be completed as to UM/UIM coverage. On May 13, 1994, Transwestern sent a letter to

1 Discount stating that if a properly completed Supplement was not
2 received by June 2, 1994, UM/UIM coverages would be added to the
3 Northland policy and a premium would be billed as of the initial
4 effective date of the policy. If Respondents believed that
5 Transwestern and/or Northland could not legally effect this
6 change, Respondents could have communicated this to
7 Transwestern, Northland and/or Moore, but did not. The failure
8 of Respondents to provide any response to the repeated requests
9 from Transwestern resulted in the imposition of addition premium
10 to the detriment of Mr. Moore.

11 49. Mr. Vander Molen believed Mr. Moore had
12 insurance coverage at the time of the citation. However, the
13 record reflects that Vander Molen made no effort to verify with
14 Northland or Transwestern the existence of Moore's coverage
15 prior to executing the letter. Vander Molen merely ascertained
16 that the Northland policy had been issued, that premium had been
17 paid and that Mr. Moore represented that he had not received a
18 notice of cancellation. If Vander Molen believed that any
19 attempted cancellation by Northland would have been legally
20 invalid because proper notice was not given, his letter should
21 have so stated. Rather, the letter written by Vander Molen was
22 directed "To Whom it May Concern" and stated unconditionally
23 that Moore had maintained coverage on the motorcycle since
24 February 1, 1994. For Vander Molen to have written such a
25 letter without having conducted even minimal research to verify
26 the existence of coverage on the date of the citation was
27 misleading.
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2. The insurance licenses of Respondents Dan Calvin Vander Molen and Discount Insurance Group, Inc., referred to in the Findings of Fact, are suspended for thirty (30) days;

3. Respondents Dan Calvin Vander Molen and Discount Insurance Group, Inc. are required to pay civil penalties to the Arizona Department of Insurance in the amount of \$2,500 each within thirty (30) days of the effective date of this order;

4. Respondents Dan Calvin Vander Molen and Discount Insurance Group, Inc. shall cease and desist from

a. sharing commissions or compensation received as a result of insurance transactions with persons not licensed as an insurance agent, broker or solicitor and,

b. using the Agreement of Coverages and Power of Attorney that do not conform with Arizona law.


NOTIFICATION OF RIGHTS

The aggrieved party may request a rehearing with respect to this Order by filing a written petition with the Office of Administrative Hearings within 30 days of the date of this Order, setting forth the basis for such relief pursuant to A.A.C. R20-6-114(B).

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2 The final decision of the Director may be appealed to
3 the Superior Court of Maricopa County for judicial review
4 pursuant to A.R.S. §20-166.
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6 DATED this 13th day of June, 1996.
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8 
9 CHRIS HERSTAM
Director of Insurance

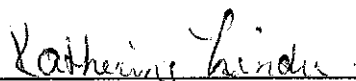
10
11 COPY of the foregoing mailed/delivered
this 13th day of June, 1996 to:

12 Office of Administrative Hearings
13 c/o Lewis Kowal, Administrative Law Judge
1700 West Washington, Suite 602
14 Phoenix, Arizona 85007

15 Charles R. Cohen, Deputy Director
Gregory Y. Harris, Executive Assistant Director
16 Department of Insurance
2910 N. 44th St., Suite 210
17 Phoenix, Arizona 85018

18 Kathryn Leonard
Assistant Attorney General
1275 West Washington
19 Phoenix, Arizona 85007

20 Paul V. Bonn
Bonn, Luscher, Padden & Wilkins
21 805 N. Second Street
22 Phoenix, Arizona 85004

23 
24

JUN 4 1996

IN THE OFFICE OF ADMINISTRATIVE HEARINGS DIRECTOR'S OFFICE
INSURANCE DEPT.

In the Matter of

No. 95A-274-INS

**DAN CALVIN VANDER MOLEN, and
DISCOUNT INSURANCE GROUP, INC.,**

**RECOMMENDED FINDINGS OF
FACT, CONCLUSIONS OF LAW
AND RECOMMENDED ORDER**

Respondents.

On February 27 and March 6, 1996, a hearing took place in the above-referenced matter. The record of this matter closed on May 10, 1996. Assistant Attorney General Kathryn Leonard appeared on behalf of the Arizona Department of Insurance ("Department"). Paul V. Bonn appeared on behalf of Respondents Dan Calvin Vander Molen ("Mr. Vander Molen") and Discount Insurance Group, Inc. ("Discount"), collectively referred to as Respondents.

Based upon the entire record, including all pleadings, motions, testimony, and exhibits, Administrative Law Judge Lewis D. Kowal prepared the following Recommended Findings of Fact, Conclusions of Law, and Recommended Order for consideration by the Director of the Department ("Director").

FINDINGS OF FACT

1. At all times material to this matter, Mr. Vander Molen was and is the holder of a life and disability agent license and a property and casualty agent and broker license in the State of Arizona.

2. At all times material to this matter, Discount was and is a corporation duly authorized to do business in the State of Arizona.

3. At all times material to this matter, Discount was and is the holder of a property and casualty agent and broker license in the State of Arizona.

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2 4. At all times material to this matter, Mr. Vander Molen was and is the
3 president and owner of Discount and designated in Discount's insurance licenses to
4 exercise its powers.

5 5. Respondents routinely utilize an Agreement of Coverages (the
6 "Agreement") which prospective insureds sign at the time they are applying for
7 insurance coverage. The Agreement purportedly grants a Power of Attorney to the
8 broker/agent to sign all applicable insurance and premium forms or related papers and
9 to act on behalf of the prospective insured.

10 6. The Power of Attorney provided in the Agreement does not refer to any
11 time frame or mention a particular insurer or application of insurance.

12 7. The evidence presented established that it is Discount's customary
13 business practice to have a new Agreement executed each time an insured seeks a
14 renewal or pursues a new application for insurance.

15 8. Upon consideration of the totality of the evidence presented, it is
16 determined that the Power of Attorney relates to the specific insurance transaction
17 being pursued at time of execution of the Agreement by the prospective insured.

18 9. The Department contends that the Agreement utilized by Respondents
19 does not conform to Arizona's non-cancellation law set forth in A.R.S. § 20-631 et seq.
20 Further, the Department contends that the language of the Agreement falsely
21 represents the manner in which motor vehicle coverage may be canceled pursuant to
22 Arizona law.

23 10. Respondents contend that the language in the Agreement is appropriate
24 and complies with Arizona law. According to Respondents, the Agreement provides
25 that if the proposed insured fails to pay the full or initial payment for insurance, the
26 application for insurance and binder and not the insurance policy is void from its
27 inception.
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1 11. Respondents further contend that the Agreement is not a binder but
2 intended to be an engaging agreement between a prospective insured and Discount.

3 12. Although Respondents claim the Agreement is not used as a binder, on its
4 face, the Agreement appears to be a binder, though the identity of the insurer is not
5 disclosed. Discount's agents insert in the space provided for binder numbers the last
6 four digits of the insurance agent's social security number or the Agreement has a
7 preprinted sequential number that bears no relationship to an application for insurance
8 or an insurance policy. However, the insertion of a number in the space reserved for a
9 binder number creates the appearance that the Agreement is a binder.

10 13. The Agreement states that "no coverage is in force without an approved
11 binder number appearing in the space below". In addition to the binder number, the
12 Agreement has a space where the date and time of the binder is to be inserted. Further,
13 the Agreement sets forth the types and the amount of coverages accepted and the
14 coverages declined. All of the aforementioned creates the appearance that the
15 Agreement is a binder.

16 14. The Agreement misstates the law in Arizona regarding cancellation of
17 coverage. A binder is terminated upon issuance of the policy applied for or 90 days
18 from the binder's effective date, whichever occurs first. A.R.S. §20-1120. Notice
19 requirements for cancellation of coverage are set forth in A.R.S. § 20-1632 which does
20 not distinguish between policies and binders. Therefore, to effect cancellation of
21 coverage, an insured must be notified of such cancellation in accordance with A.R.S.
22 §20-1632. An insurer can make the effective date of a binder conditioned on payment
23 for insurance. Statewide Ins. Corp. v. Dewar, 143 Ariz. 553, 694 P.2d 1167 (1984).

24 15. There was no evidence presented by Respondents that any of the
25 insurance carriers with which Respondents had or have an agency relationship
26 conditions the effective date of a binder upon full or initial payment for insurance.

27 16. There was no evidence presented that established that Discount was
28 properly conditioning the effective date of coverage upon payment. Further, the
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1 language utilized in the Agreement is ambiguous. If, as Respondents assert, the binder
2 is part of the application, it is unclear in the Agreement as to whether the application for
3 an insurance policy, the binder portion of the application or the entire application which
4 includes the application for an insurance policy and binder was intended to be voided
5 from its inception.

6 17. On January 22, 1993, Discount accepted an insurance application and
7 premium of \$345.00 from Casey Moore ("Mr. Moore"). At that time, Discount issued Mr.
8 Moore a binder for motorcycle coverage with Nova Casualty Company ("Nova") through
9 its managing general agent, Transwestern General Agency ("Transwestern"), on Mr.
10 Moore's 1987 Yamaha motorcycle ("Yamaha").

11 18. At the time when Mr. Moore completed his application for coverage on the
12 Yamaha, he signed the Agreement with Discount.

13 19. On December 1, 1993, Respondents mailed a renewal notice to Mr.
14 Moore advising Mr. Moore that he could renew coverage on his Yamaha, subject to
15 Nova's acceptance, by paying a \$229.00 renewal premium to Discount and executing a
16 new Agreement before January 22, 1994.

17 20. Although A.R.S. §20-1632.01 provides for a seven-day grace period to
18 renew an automobile liability policy after the expiration date of the existing policy,
19 Transwestern's policy at the time in question was to allow nine days after the expiration
20 date in which a Nova policy could be renewed by receipt of the renewal premium and
21 notice of renewal.

22 21. On January 18, 1994, Mr. Moore tendered to Discount the \$229.00
23 premium to renew the Nova policy. At that time, Mr. Moore informed Discount that his
24 mailing address had changed to P.O. Box 83862, Phoenix, AZ 85071. Mr. Moore did
25 not execute a new Agreement with Discount at the time he submitted the \$229.00
26 renewal premium.

1 22. On February 1, 1994, Transwestern received from Discount, Mr. Moore's
2 renewal request. At that time, Transwestern determined that the grace period had
3 lapsed and that the renewal request for Mr. Moore was untimely.

4 23. On February 1, 1994, Transwestern forwarded a letter and a Northland
5 Insurance Company ("Northland") application to Discount wherein Discount was
6 advised that Transwestern could not renew Mr. Moore's Nova policy but suggested that
7 Mr. Moore's policy be rewritten with Northland. At that time, Transwestern's relationship
8 with Nova had changed so that Transwestern was not authorized to write new business
9 with Nova but only authorized to renew Nova policies. Because Transwestern viewed
10 Mr. Moore's renewal request as untimely, Transwestern determined it could neither
11 renew Mr. Moore's Nova policy nor rewrite a Nova policy for Mr. Moore.

12 24. On behalf of Mr. Moore, Discount submitted to Transwestern a completed
13 Northland insurance application which had the purported signature of Mr. Moore,
14 although Mr. Moore did not complete, sign or authorize the completion and signature of
15 his name to the Northland application. On behalf of Mr. Moore, Discount also submitted
16 the \$189.00 premium to Transwestern to obtain insurance coverage on the Yamaha
17 with Northland.

18 25. Discount also submitted a completed Motorcycle Application Supplement
19 (the "Supplement") which gives the proposed insured the opportunity to accept or reject
20 uninsured and underinsured motorist coverage ("UM/UIM"). The Supplement had the
21 purported signature of Mr. Moore, although Mr. Moore did not complete, sign or
22 authorize the completion and signature of his name to the Supplement.

23 26. Respondents assert that the Power of Attorney incorporated in the
24 Agreement executed by Mr. Moore provided them with the authority to complete and
25 sign insurance related documents including applications for insurance other than the
26 initial Nova application. It is determined above in paragraph 8 that the Power of
27 Attorney does not provide Respondents with such authority.
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1 27. Mr. Moore credibly testified that at the time he executed the Agreement,
2 he was not advised of the Power of Attorney clause.

3 28. The Agreement Mr. Moore executed provided Discount with the authority
4 to act on behalf of Mr. Moore with respect to the initial Nova application. Mr. Moore and
5 Discount failed to respond to Transwestern's letters and failed to forward a completed
6 and signed Supplement which accepted or declined UM/UIM coverage.

7 29. Respondents contend that the Nova renewal application was submitted in
8 a timely manner and should have been accepted by Transwestern. Therefore,
9 Respondents argue that any acts occurring after the Nova renewal should not be
10 considered because but for Transwestern's failure to accept the Nova renewal, the
11 subsequent acts would not have occurred.

12 30. Respondent's argument set forth above in paragraph 29 is flawed for even
13 if Transwestern's failure to accept the Nova renewal application was wrongful, that does
14 not relieve Respondents from complying with the Arizona insurance laws for any
15 subsequent action taken regarding Mr. Moore.

16 31. Mr. Moore was entitled to a return of \$40.00 as excess premium as of
17 February 1, 1994, which sum represents the difference of the amount Mr. Moore had
18 paid to renew insurance on the Yamaha with Nova and the premium actually paid to
19 Northland. Discount returned that sum only after Mr. Moore had filed his complaint with
20 the Department in November, 1995.

21 32. On February 23, 1994, Transwestern contacted Discount and requested
22 that the Supplement be completed as to UM/UIM coverage. On May 13, 1994,
23 Transwestern sent a letter to Mr. Moore with a copy to Discount stating that if a properly
24 completed Supplement was not received by June 2, 1994, UM/UIM coverages would be
25 added to the Northland policy and a premium would be billed as of the initial effective
26 date of the policy.

27 33. On June 13, 1994, on behalf of Northland, Transwestern generated a
28 General Change Endorsement ("Endorsement") to reflect the addition of UM/UIM
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1 coverage to Mr. Moore's policy as of February 1, 1994. As a result of the added
2 coverage, Transwestern billed Mr. Moore an additional premium of \$210.00 which was
3 to have been paid by June 21, 1994.

4 34. Credible evidence was presented that Mr. Moore and Discount did not
5 receive the Northland Notice of Endorsement or bill for additional premium.

6 35. Transwestern did not receive the additional premium of \$210.00 by June
7 21, 1994.

8 36. On July 7, 1994, Transwestern issued a cancellation notice of the
9 Northland policy for nonpayment of the additional premium required by the
10 Endorsement. The cancellation was effective July 19, 1994.

11 37. Transwestern mailed the cancellation notice to Mr. Moore at 4303 West
12 Onx (sic), Glendale, AZ 85302, and not to his current mailing address at that time. A
13 copy of the Cancellation Notice was mailed to Discount. Mr. Moore and Discount did
14 not receive the Cancellation Notice. Therefore, Respondents did not take any action to
15 secure insurance coverage for Mr. Moore's Yamaha and did not notify Mr. Moore of the
16 cancellation of the Northland policy.

17 38. At the time, of submitting Mr. Moore's renewal application, Discount had
18 notified Transwestern of Mr. Moore's change of mailing address. However, the
19 Northland application which was completed and submitted to Transwestern only
20 provided the street address of 4303 West Onyx, Glendale, Arizona 85302, where the
21 Yamaha was located.

22 39. The Northland application does not specify whether the address should be
23 the mailing address or physical address of where the motorcycle is located. Credible
24 evidence was presented that Northland would not accept a post office address as the
25 only address for an insured.

26 40. Respondents contend that by providing Transwestern with Mr. Moore's
27 change of address regarding the Nova renewal that it had satisfactorily notified
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1 Northland of Mr. Moore's correct mailing address because Transwestern acted as the
2 managing general agent for both Nova and Northland.

3 41. Although Discount notified Transwestern as to Mr. Moore's change of
4 mailing address as part of the Nova renewal process, Discount did not take appropriate
5 measures in its submission of the Northland application to notify Northland that Mr.
6 Moore's mailing address was different than the location that appeared on the Northland
7 application.

8 42. Respondents contend that because the Northland policy was issued
9 unconditionally with an offer of UM/UIM coverage, that Northland could not: a)
10 unilaterally add those coverages; b) charge an additional premium; or c) cancel the
11 policy for non-payment of that premium. Further, Respondents maintain that because
12 the Northland policy was a direct billed policy, Northland and not Discount, had the
13 responsibility for mailing out a Notice of Cancellation.

14 43. Discount's submission of a Northland application on behalf of Mr. Moore
15 without his knowledge or consent changed the relationship Mr. Moore had with both
16 Discount and Mr. Moore's insurer. Those relationships were changed so that Mr.
17 Moore's motorcycle insurance became a direct billed policy rather than an agency billed
18 policy. Instead of dealing directly with Discount, as Mr. Moore had done with the Nova
19 policy, the Northland policy required that Mr. Moore deal directly with Northland
20 concerning endorsements and payment.

21 44. It is not necessary to address the financial relationship between Mr.
22 Moore, Northland and Transwestern nor determine whether Mr. Moore's Northland
23 policy was improperly canceled because the Northland policy was a direct billed policy.

24 45. Mr. Moore credibly testified that on November 22, 1994, he was stopped
25 twice by the Phoenix Police for driving the Yamaha with expired plates. Although Mr.
26 Moore was not cited at the first stop, at the second stop, Mr. Moore was cited for not
27 having insurance on the Yamaha. Mr. Moore first learned of Northland's cancellation of
28 coverage as a result of the second stop.
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1 46. The evidence presented shows that Mr. Moore's testimony as to the date
2 of the occurrence is in error. However, there is no controverting evidence as to Mr.
3 Moore's testimony of the events that occurred on the day of the citation.

4 47. As a result of being cited for not having insurance, Mr. Moore contacted
5 the Respondents. Subsequently, in a telephone conversation Mr. Moore had with Mr.
6 Vander Molen, Mr. Moore credibly testified that Mr. Vander Molen offered to draft a
7 letter which would state that Mr. Moore had insurance in effect at that time provided Mr.
8 Moore would sign up for 6 months of insurance with Discount.

9 48. Mr. Moore told Mr. Vander Molen to go ahead and write the letter but did
10 not obtain further insurance through Mr. Vander Molen. Mr. Vander Molen contends
11 that the letter was written to assist Mr. Moore because at that time neither Discount nor
12 Mr. Moore had received proper notice of cancellation of the Northland policy.
13 Therefore, Mr. Vander Molen believed that Mr. Moore had insurance coverage through
14 Northland.

15 49. The evidence reflects that Mr. Vander Molen had a good faith basis to
16 believe that Mr. Moore had insurance coverage at the time of the citation.

17 50. The Notice of Cancellation of the Northland policy was not sent by certified
18 mail as required by A.R.S. §20-1632 nor was it ever received by Mr. Moore or Discount.

19 51. No credible evidence was presented as to exactly what Mr. Moore did
20 with Mr. Vander Molen's letter.

21 52. From August, 1993 through either December, 1995 or January, 1996,
22 Respondents paid a \$20.00 fee to automobile salesmen for referring insurance
23 purchasers to Discount who required financing of their insurance policy.

24 53. From August, 1993 through either December, 1995 or January, 1996,
25 Discount received \$10.00 from Dwight Financial ("Dwight") for each insurance policy
26 that Discount forwarded to Dwight for financing. Each \$10.00 fee received from Dwight
27 was placed into Discount's Marketing Plus Account.
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1 54. The \$20.00 fees Discount paid to the automobile salesmen for referring
2 insurance purchasers who required financing of their insurance policies were paid from
3 the Marketing Plus Account.

4 55. The monies Discount paid the auto salesmen for forwarding prospective
5 insureds for policies to be financed constitutes commission or compensation as a result
6 of transactions conducted under Respondents' insurance licenses.

7 56. Although Respondents contend that Discount was referring financing
8 matters other than insurance to Dwight, the evidence presented established that the
9 only matters Discount referred to Dwight for financing were insurance policies.

10 57. Credible evidence was presented at the hearing that during the relevant
11 time, Mr. Vander Molen controlled the operation of Discount and that Discount's
12 employees acted under and pursuant to Mr. Vander Molen's direction.

13 58. Pursuant to A.R.S. § 20-295, in order for a corporation to be licensed as a
14 broker, one individual in each office or place where insurance is transacted is to
15 represent the corporation and be individually licensed. A.R.S. §20-316 provides that a
16 corporation's license may be suspended or revoked for any causes related to the
17 individual designated on the corporation's license to exercise the corporation's powers.
18 Therefore, all of the aforementioned acts of Discount or its employees are also
19 attributable to Mr. Vander Molen.

20
21 **CONCLUSIONS OF LAW**

22
23 1. Respondents received notice of this proceeding as prescribed by A.R.S.
24 §20-163 and 41-1061.

25 2. The Director has jurisdiction over this matter pursuant to A.R.S.
26 §20-161.

27 3. There is insufficient evidence in the record to find that Respondents'
28 conduct, as set forth above in the Findings of Fact, constitutes a record of dishonesty in
29 business or financial matters within the meaning of A.R.S. §20-290(B)(2).
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1 4. Respondents' conduct, as set forth above in the Findings of Fact,
2 constitutes the existence of any cause for which original issuance or any renewal of an
3 insurance license could have been refused such that Respondents' licenses may be
4 suspended or revoked pursuant to A.R.S. §20-316(A)(1), together with
5 20-290(B)(2).

6 5. There is insufficient evidence in the record to find that Respondents'
7 conduct as set forth above in the Findings of Fact, constitutes a willful violation of, or
8 willful noncompliance with, any provision of this title, or any lawful rule, regulation or
9 order of the director in violation of A.R.S. §20-316(A)(2).

10 6. Respondents' conduct as set forth above in the Findings of Fact with
11 respect to Mr. Moore's \$40.00 excess premium, constitutes misappropriation or
12 conversion to their own use or illegal withholding of monies belonging to policyholders,
13 insurers, beneficiaries or others and received in or during the conduct of business
14 under the license or through its use in violation of A.R.S. §20-316(A)(4).

15 7. Respondents' conduct as set forth above in the Findings of Fact, with
16 respect to the utilization of the Agreement of Coverages form, including the Power of
17 Attorney incorporated in that document and the submission of Mr. Moore's Northland
18 application for insurance, constitutes a conduct of affairs under the licenses showing
19 the Respondents to be incompetent or a source of injury and loss to, or repeated
20 complaint by, the public or any insurer in violation of A.R.S. §20-316(A)(7).

21 8. Respondents' conduct as set forth above in Paragraphs 52-55 of the
22 Findings of Fact, constitutes the sharing of commissions or other compensation
23 received on account of transactions under a license with any person not also licensed
24 as an agent, broker, or solicitor under this article in violation of A.R.S. §20-311(B).

25 9. The Respondents' conduct as set forth above in the Findings of Fact,
26 constitutes the misrepresentation of the terms of any policy issued or to be issued or
27 the benefits or advantages promised or the dividends or share of the surplus to be
28 received in violation of A.R.S. §20-443(A).
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10. Based upon the above Findings of Fact the Director has the authority to suspend, revoke or refuse to renew Respondents' insurance licenses, impose a civil penalty upon Respondents and/or order restitution, pursuant to A.R.S. §20-316(A) and 20-316(C).

11. The Director has the authority to order Respondents to cease and desist violations of A.R.S. §20-443, and impose a civil penalty upon Respondents pursuant to A.R.S. §20-456.

RECOMMENDED ORDER

Based upon the above, the undersigned Administrative Law Judge recommends that Respondents Dan Calvin Vander Molen and Discount Insurance Group, Inc., each, be suspended for thirty (30) days and each be required to pay a civil penalty to the Department in the amount of \$2,500.00 within thirty (30) days of the effective date of the Director's Order. It is further recommended that the Respondents, Dan Calvin Vander Molen and Discount Insurance Group, Inc., cease and desist from: a) sharing commissions or compensation received as a result of insurance transactions with persons not licensed as an insurance agent, broker or solicitor, and b) using the Agreement of Coverages and Power of Attorney unless they conform with Arizona law.

Done this 31st day of May, 1996.



LEWIS D. KOWAL
ADMINISTRATIVE LAW JUDGE

1 Copy of the foregoing mailed/delivered
2 this 31st day of May, 1996, to:

3 Chris Herstam, Director
4 Arizona Department of Insurance
5 2910 North 44th Street, Suite 210
6 Phoenix, AZ 85018

7 By: Chris Crawford

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