

Maureen

ARIZONA
FILED

JUL 27 1989

Chmt

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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In the Matter of) Docket No. 6877
RALPH D. BREDAHL,)
Respondent.)
ORDER

On July 18, 1989, a hearing was held at the Arizona Department of Insurance, 3030 North Third Street, Suite 1100, Phoenix, Arizona. The Arizona Department of Insurance was represented by Charles R. Cohen, Esq., Assistant Attorney General. Respondent was not present either in person or through counsel.

Based upon the testimony and evidence presented at the hearing, the Director of Insurance makes the following findings of fact and conclusions of law and enters the following order:

1. Notice of the hearing was mailed to Respondent at his address of last record, as well as to other addresses where the Department believed Respondent may be located.

2. Respondent is, and was at all material times, licensed as an insurance agent by the State of Arizona.

3. On or about October 26, 1987, while acting as an agent for American Travellers Life Insurance Company ("American Travellers"), in order to induce Ben and Lillie Klusmeier ("the Klusmeiers") to apply for nursing home insurance, Respondent falsely represented to the Klusmeiers that \$1,719.20 would provide such insurance for both of them.

4. In truth, said sum was only sufficient to so insure one of them.

1 5. On the same date, Respondent received a \$1,719.20
2 check payable to American Travellers, and an application for
3 nursing home insurance, from the Klusmeiers.

4 6. Respondent failed to forward the premium payment
5 and application received from the Klusmeiers to American
6 Travellers, and instead knowingly and willfully misappropriated
7 and converted said payment to his own use.

8 7. Respondent took the check from the Klusmeiers to
9 the United Bank of Arizona. The United Bank of Arizona issued a
10 cashier's check to Respondent, made payable to the order of
11 American Travellers. Respondent endorsed the cashier's check,
12 and obtained cash from Pima Savings and Loan Association ("Pima
13 Savings").

14 8. The Klusmeiers never received the subject
15 nursing home insurance, and American Travellers has refunded
16 \$1,719.20 to the Klusmeiers.

17 9. Pima Savings subsequently paid \$1,719.20 to
18 American Travellers as restitution.

19 10. Respondent repeatedly failed to respond to the
20 Department's inquiries concerning the Klusmeier's transaction,
21 and failed to appear at the Department as so ordered.

22 11. On or about October 24, 1987, while acting as an
23 agent for Union Bankers Insurance Company ("Union Bankers"),
24 Respondent received a \$339.20 check payable to Union Bankers,
25 and a completed application for a health insurance policy, from
26 Robert Fuller ("Fuller"). Accordingly, Respondent forwarded
27 said check and application to Union Bankers.

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1 12. On or about December 15, 1987, Union Bankers
2 notified Respondent that Union Bankers was unable to accept
3 Fuller's application. Union Bankers enclosed a \$339.20 refund
4 check to Respondent made payable to Robert L. Fuller, and
5 instructed Respondent to forward said check to Fuller
6 immediately.

7 13. Respondent failed to forward said refund check to
8 Fuller, but instead knowingly and willfully misappropriated
9 and converted it to his own use.

10 14. On or about February 1, 1988, after Fuller
11 complained to Union Bankers, Respondent sent a check to Fuller
12 in the amount of \$339.20 drawn on Respondent's personal
13 account. On or about February 10 and 18, 1988, said check was
14 dishonored due to insufficient funds.

15 15. Subsequently, Union Bankers mailed another refund
16 check in the amount of \$339.20, this time directly to Fuller.

17 16. Respondent repeatedly failed to respond to the
18 Department's inquiries concerning the herein-alleged matter, and
19 failed to appear at the Department as ordered.

20 17. Respondent's above-alleged conduct constitutes
21 willful violations of, and willful noncompliance with, the
22 provisions of A.R.S. Title 20 and lawful orders of the Director,
23 in violation of A.R.S. §20-316(A)(2).

24 18. Respondent's above-alleged conduct constitutes
25 misappropriation, conversion or illegal withholding of monies
26 belonging to policyholders, insurers, beneficiaries or others,
27 in violation of A.R.S. §20-316(A)(4).

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1 19. Respondent's above-alleged conduct constitutes a
2 conduct of affairs under his license showing him to be
3 incompetent or a source of injury and loss to the public or any
4 insurer, in violation of A.R.S. §20-316(A)(7).

5 IT IS HEREBY ORDERED that:


6 1. Any and all of Respondent's insurance licenses are
7 revoked effective this date.


8 2. On or before August 1, 1989, Respondent shall make
9 restitution to Pima Savings in the sum of \$1,719.20 and to Union
10 Bankers in the sum of \$339.20.

11 3. On or before August 1, 1989, Respondent shall
12 remit to the Arizona Department of Insurance civil penalties in
13 the amount of \$10,000 for intentional violations of Title 20,
14 A.R.S.

15 4. The aggrieved party may request a rehearing with
16 respect to this Order by filing a written petition with the
17 Hearing Officer within 30 days of the date of this Order,
18 setting forth the basis for such relief pursuant to A.R.S.
19 §20-1062(B) and A.A.C. R4-14-159.

20 DATED this 27th day of July, 1989.

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23 _____
24 SUSAN GALLINGER
25 Director of Insurance

26 
27 _____
28 SARA M. BEGLEY
Chief Hearing Officer

1 COPY of the foregoing mailed/delivered
2 this 27th day of July, 1989, to:
3 Charles R. Cohen, Esq.
4 Assistant Attorney General
5 1275 W. Washington
6 Phoenix, Arizona 85007
7 Jay Rubin, Assistant Director
8 Maureen Catalioto, Supervisor
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13 Ralph D. Bredahl
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16 James V. Fiumara, Jr.
17 Superintendent of Agencies
18 American Travellers Life Insurance Company
19 1800 Street Road
20 Warrington, Pennsylvania 18976
21 Ben and Lillie Klusmeier
22 303 S. Recker Road, Sp. 147
23 Mesa, Arizona 85206
24 John P. Tolan
25 General Agent
26 Amrican Travellers Life Insurance Company
27 530 W. Oregon Avenue
28 Phoenix, Arizona 85013
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Physician's Mutual Insurance Company
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Lori M. Barker