

STATE OF ARIZONA
DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

No. 20A- 079 -INS

RIOS, HARNY OBED
(National Producer No. 8835021)

CONSENT ORDER

Respondent

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that **Harny Obed Rios (“Rios” or “Respondent”)** violated provisions of Title 20, Arizona Revised Statutes (“A.R.S”). Respondent wishes 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. Rios is, and was at all material times, licensed as an Arizona resident insurance producer with five lines of authority: Life, Accident and Health or Sickness, Variable Life and Variable Annuity, Property, and Casualty. His license, number 8834021, was last renewed on September 1, 2017, and it is scheduled to expire on August 31, 2021.

2. Rios’ business and mailing address of record with the Department is 12429 West Hearn Road, El Mirage, Arizona 85335-5922. Rios’ business e-mail address of record with the Department is global.insurance.az@gmail.com.

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1 **Allstate Complaint**

2 3. On or about August 27, 2020, the Department received a termination for cause
3 notice from Allstate Insurance Company (“Allstate”). The notice stated that Rios’
4 termination was due to falsification of documents.

5 4. Allstate provided documentation to the Department which alleged Rios
6 manipulated policy indexing codes and/or created invalid control numbers on policies in
7 order to provide consumers with a fraudulent discount they would otherwise have not
8 qualified for.

9 5. Allstate’s targeted audit of Rios’ written business between October 2019 and
10 April 2020 found that Rios applied fraudulent discounts to forty (40) policies. Specifically,
11 Rios’ unique Allstate binding identification number was used to create invalid control
12 numbers on six (6) policies to provide fraudulent discounts.

13 6. During an August 7, 2020 recorded interview with Allstate, Rios admitted that
14 he routinely provided customers with discounts that they did not qualify for in order to retain
15 the customer’s business.

16 7. On or about November 23, 2020, the Department conducted a virtual
17 conference with Rios. During this conference, Rios confirmed Allstate’s allegations by
18 admitting he had provided these fraudulent discounts to consumers to maintain the
19 customer’s business.

20 **CONCLUSIONS OF LAW**

- 21 1. The Director of the Department (“Director”) has jurisdiction over this matter.
22 2. Respondent’s conduct, as described above, constitutes a violation of Title 20 or

1 any rule, subpoena or order of the Director, within the meaning of A.R.S. § 20-295(A)(2).

2 3. Respondent's conduct, as described above, constitutes using fraudulent,
3 coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or
4 financial irresponsibility in the conduct of business in this state or elsewhere, in violation of
5 A.R.S. § 20-295(A)(8).

6 4. Respondent's conduct, as described above, constitutes knowingly presenting,
7 causing to be presented or preparing with the knowledge or belief that it will be presented, an
8 oral or written statement, including computer generated documents, to an insurer that
9 contains untrue statements of material fact or that fails to state any material fact with respect
10 to the application for the issuance of an insurance policy, in violation of A.R.S. § 20-
11 463(A)(1)(a).

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

14 6. Grounds exist, in addition to or instead of any suspension or revocation, for the
15 Director to impose a civil penalty of not more than \$250.00 for each unintentional failure or
16 violation up to an aggregate civil penalty of \$2,500.00, or impose a civil penalty of not more
17 than \$2,500.00 for each intentional failure or violation, up to an aggregate civil penalty of
18 \$15,000.00, within the meaning of A.R.S. § 20-295(F).

19 **ORDER**

20 IT IS HEREBY ORDERED THAT:

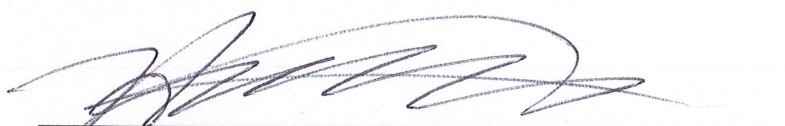
21 1. The insurance producer license of **Harny Obed Rios**, is suspended for 30
22 calendar days, effective December 16, 2020 through January 15, 2021.

1 5. Respondent states that no promise of any kind or nature whatsoever, except as
2 expressly contained in this Consent Order, was made to induce him to enter into this Consent
3 Order and that he has entered into this Consent Order voluntarily.

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

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

13
14 12/11/20
15 Date



Harny Obed Rios
(NPN License No. 8835021)

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18 **COPY** of the foregoing delivered by E-mail
19 this 18th day of December, 2020, to:

20 Harny Obed Rios
21 12429 W Hearn Rd
22 El Mirage, AZ 85335-5922
Global.insurance.az@gmail.com
harnyr@gmail.com
Respondent

1 **COPY** of the foregoing delivered/mailed same date, to:

2 Deian Ousounov, Regulatory Legal Affairs Officer
3 Ana Starcevic, Paralegal Project Specialist
4 Catherine M. O'Neil, Consumer Legal Affairs Office
5 Steven Fromholtz, Division Manager, Licensing Division
6 Aqueelah Currie, Licensing Supervisor
7 Jeff Eavenson, Investigator
8 Linda Lutz, Legal Assistant, Licensing Division
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8 Francine Juarez

9 Francine Juarez

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