

**STATE OF ARIZONA
DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

In the Matter of:

No. 21A-034-INS

SMITH, MATTHEW DUFF
(National Producer No. 6742231)

CONSENT ORDER

AZ RISK MANAGEMENT INC
(National Producer No. 16199681)

Respondents.

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that **Matthew Duff Smith (“Smith”)** and **AZ Risk Management INC (“AZ Risk”)** (collectively “**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. Smith is, and was at all material times, licensed as an Arizona resident insurance producer with four lines of authority: life, accident and health or sickness, casualty, and property insurance. Smith’s license, number 6742231, was last renewed on July 1, 2018, and is scheduled to expire on June 30, 2022.

2. Smith’s business and mailing address of record with the Department is 6501 East Greenway Parkway, Suite 103-327, Scottsdale, Arizona 85254-2025. Smith’s business e-mail address of record with the Department is smith.duff@gmail.com .

3. AZ Risk is, and was at all material times, licensed as an Arizona business

1 entity insurance producer with four lines of authority: life, accident and health or sickness,
2 casualty, and property. AZ Risk's license, number 1619968, was last renewed on May 1,
3 2019 and is scheduled to expire on April 30, 2023.

4 4. AZ Risk's business address of record with the Department is 5144 East Aire
5 Libre Avenue, Scottsdale, Arizona 85254 and the mailing address of record is 6501 East
6 Greenway Parkway Suite 103-327, Scottsdale, Arizona 85254-2025. AZ Risk's business e-
7 mail address of record with the Department is duff@azriskmgmt.com.

8 5. Smith is the designated responsible licensed producer and president of AZ
9 Risk.

10 **Consumer Complaint**

11 6. On or about September 25, 2020, a consumer submitted a written complaint to
12 the Department alleging she paid Smith \$5427 in premium for two liability coverage
13 policies. The consumer alleged that her business was left uninsured after Smith failed to
14 forward her premium payment to the insurer and the insurer canceled the policies for non-
15 payment.

16 7. The consumer further alleged that Smith provided her with a fraudulent
17 certificate of insurance that she in turn provided to the Arizona Department of Education as
18 proof of insurance for her business.

19 8. The consumer reported that Smith still refuses to refund her premiums even
20 after Smith acknowledged his fault in not forwarding her premium to the insurer.

21 9. The Department's investigation revealed that on or about July 2019, Smith
22 obtained two liability policies for the consumer's business. On or about September 12, 2019,

1 Smith received \$5427 premium from the consumer, and deposited these funds into AZ
2 Risk's bank account. Smith subsequently failed to forward the premium to the insurer which
3 resulted in cancellation of the two liability policies.

4 10. On or about July 9, 2020, at the consumer's request, Smith provided her with a
5 certificate of insurance for the liability policies that were not placed in force with the insurer.
6 The certificates of insurance provided to the consumer contained policy numbers from an
7 expired insurance policy.

8 11. On or about January 20, 2021, the Department conducted a virtual conference
9 with Smith. During this conference, Smith acknowledged that he made a mistake by not
10 forwarding the consumer's premium to the insurer.

11 12. Smith confirmed that he provided the certificate of insurance to the consumer
12 stating that the policy numbers reflected on the certificate were the policy number(s)
13 associated for the previous owner of the consumer's business.

14 13. Smith stated he had intended to return the consumer's premium until her
15 attorney began making demands for repayment and other fees. Smith stated he instead
16 provided his personal liability policy information and instructed the consumer to file a claim.

17 14. On February 5, 2021, Smith refunded the consumer's insurance premium by
18 way of a cashier's check.

19 CONCLUSIONS OF LAW

20 1. The Director of the Department ("Director") has jurisdiction over this matter.

21 2. Respondent's conduct, as described above, constitutes a violation of Title 20 or
22 any rule, subpoena or order of the Director, within the meaning of A.R.S. § 20-295(A)(2).

1 3. Respondent's conduct, as described above, constitutes improperly withholding
2 any monies or properties received in the course of doing insurance business, in violation of
3 A.R.S. § 20-295(A)(4).

4 4. Respondent's conduct, as described above, constitutes demonstrating
5 incompetence, untrustworthiness or financial irresponsibility in the conduct of business in
6 this state or elsewhere, within the meaning of A.R.S. § 20-295(A)(8).

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

9 6. Grounds exist, in addition to or instead of any suspension or revocation, for the
10 Director to impose a civil penalty of not more than \$250.00 for each unintentional failure or
11 violation up to an aggregate civil penalty of \$2,500.00, within the meaning of A.R.S. § 20-
12 295(F).

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1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

3 1. The insurance producer license of **Matthew Duff Smith** is suspended for 60
4 calendar days, effective May 1, 2021 through June 30, 2021.

5 2. The insurance producer license for **AZ Risk Management INC** is suspended
6 for 60 calendar days, effective May 1, 2021 through June 30, 2021.

7 3. **Matthew Duff Smith** and **AZ Risk Management INC** shall immediately pay
8 a civil penalty of five hundred dollars (\$500).

9 4. Respondents are jointly and severally responsible for payment of the civil
10 penalty.

11 Effective this 22nd day of April, 2021.

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14 Evan G. Daniels, Director
15 Arizona Department of Insurance and Financial Institutions

15 **CONSENT TO ORDER**

16 1. Respondents have reviewed the foregoing Findings of Fact, Conclusions of
17 Law and Order.

18 2. Respondents admit to the jurisdiction of the Director of the Arizona
19 Department of Insurance and Financial Institutions and admit the foregoing Findings of Fact
20 and consent to the entry of the foregoing Conclusions of Law and Order.

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

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

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

6 6. Respondents acknowledge and agree that the acceptance of this Consent Order
7 by the Director is solely to settle this matter and does not preclude the Department from
8 instituting other proceedings as may be appropriate now or in the future. Furthermore, and
9 notwithstanding any language in this Consent Order, this Consent Order does not preclude in
10 any way any other state agency or officer or political subdivision of this state from instituting
11 proceedings, investigating claims, or taking legal action as may be appropriate now or in the
12 future relating to this matter or other matters concerning Respondents, including but not
13 limited to violations of Arizona's Consumer Fraud Act. Respondents acknowledge that,
14 other than with respect to the Department, this Consent Order makes no representations,
15 implied or otherwise, about the views or intended actions of any other state agency or officer
16 or political subdivision of the state relating to this matter or other matters concerning
17 Respondents.


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

1 8. Respondents waive all rights to seek an administrative or judicial review or
2 otherwise to challenge or contest the validity of this Consent Order and its accompanying
3 parts before any court of competent jurisdiction

4 9. Matthew Duff Smith represents that he is the president of AZ Risk
5 Management INC and, as such, is authorized to enter this Consent Order on its behalf.

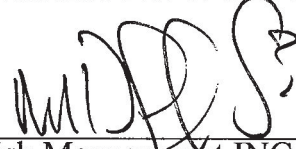
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Date

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Matthew Duff Smith
(NPN License No. 6742231)

4/8/21
Date



FRES

AZ Risk Management INC ((NPN License No. 16199681)
Matthew Duff Smith, President

1 **COPY** of the foregoing delivered by E-mail
this 23rd day of April, 2021, to:

2 AZ Risk Management INC
3 C/O Matthew Duff Smith
4 6501 E Greenway Pkwy, STE #103 327
5 Scottsdale, AZ 85254-2025
Smith.duff@gmail.com
duff@azriskmgmt.com

6 Respondents

7 **COPY** of the foregoing delivered/emailed same date, to:

8 Deian Ousounov, Regulatory Legal Affairs Officer
9 Ana Starcevic, Paralegal Project Specialist
10 Catherine M. O'Neil, Consumer Legal Affairs Office
11 Steven Fromholtz, Division Manager, Licensing Division
12 Aqueelah Currie, Licensing Supervisor
13 Jeff Eavenson, Investigator
14 Linda Lutz, Legal Assistant, Licensing Division
15 Arizona Department of Insurance
16 100 North 15th Avenue, Suite 261
17 Phoenix, Arizona 85007-2630

18 Francine Juarez
19 _____
20 Francine Juarez
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