



1                   3. On March 23, 1995, Mr. Rovala demanded a hearing  
2 to challenge the denial of the Application.

3                   4. On April 21, 1995, the Director issued the Notice  
4 of Hearing (the "Notice") granting Mr. Rovala's demand for a  
5 hearing.

6                   5. The Notice cited two reasons for the denial of the  
7 Application. First, the Notice alleged that Mr. Rovala failed to  
8 demonstrate that he possessed the requisite qualifications to be  
9 licensed as an adjuster. Second, the Notice alleged that Mr.  
10 Rovala has a record of material misrepresentation or fraud in the  
11 application for, or attempt to obtain, an insurance license.

12                   6. To qualify for the issuance of an adjuster  
13 license, an applicant must satisfy the requirements of A.R.S.  
14 §20-312. This statute, when read together with A.R.S. §20-282,  
15 conditions the issuance of the requested license upon the  
16 applicant's proof of the ability to effectively and capably  
17 investigate and negotiate the settlement of claims arising under  
18 insurance contracts.

19                   7. Mr. Rovala previously held adjuster license number  
20 18400 ("License No. 18400") issued by the Director. In the  
21 Matter of Kari Aulis Rovala, et al., Arizona Department of  
22 Insurance Docket No. 8523 ("Docket No. 8523"), page 1, lines  
23 23-27. Mr. Rovala held License No. 18400 until it expired  
24 pursuant to the Order entered by the Director in Docket No.  
25 8523. The proceedings in Docket No. 8523 concluded and License  
26 No. 18400 expired February 15, 1995.

27                   8. When he held License No. 18400, Mr. Rovala worked  
28 as an adjuster in more than 30 separate transactions. The



1 Application identified at least 11 people for whom he had  
2 performed services as an adjuster and identified a licensed  
3 adjuster familiar with Mr. Rovala's work.

4 9. The Application's conclusory information offered  
5 insufficient factual support to enable the Department to  
6 determine if Mr. Rovala possessed sufficient experience and  
7 training regarding the adjuster's responsibility to investigate  
8 and negotiate the settlement of claims arising under insurance  
9 contracts.

10 10. At hearing, six former customers testified about  
11 the nature and extent of the work performed by Mr. Rovala as an  
12 adjuster. One of these witnesses, Wesley McKinney, works as an  
13 insurance fraud investigator for the National Insurance Crimes  
14 Bureau. In this capacity, Mr. McKinney has gained an  
15 understanding of the responsibilities and the functions to be  
16 performed by an adjuster. Another of the witnesses, Stuart  
17 Thorn, holds a life and disability insurance agent license. His  
18 work and personal experiences likewise have provided him with an  
19 understanding of the responsibilities of an adjuster. All the  
20 witnesses, including Mr. McKinney and Mr. Thorn, testified that  
21 Mr. Rovala undertook the steps necessary to investigate and  
22 negotiate claims arising under insurance contracts and to bring  
23 about satisfactory settlements of their claims.

24 11. A licensed adjuster, Robert Kane, conducted a  
25 cursory review of files maintained by Mr. Rovala for claims  
26 previously investigated and negotiated by Mr. Rovala. Mr. Kane  
27 did not conduct the level of review necessary to reach a final  
28 conclusion about the adjusting work done by Mr. Rovala. However,

1 based upon his experience in the industry and the review that he  
2 performed, Mr. Kane concluded that the files appeared to reflect  
3 that Mr. Rovala possessed the requisite competence to be licensed  
4 as an adjuster.

5 12. Since his review of Mr. Rovala's files, Mr. Kane  
6 has worked with, and to some degree, supervised aspects of Mr.  
7 Rovala's work adjusting two claims. This work occurred since  
8 March 1995. From this vantage point, Mr. Kane reiterated his  
9 conclusion that Mr. Rovala appears to be competent to be licensed  
10 as an adjuster.

11 13. Mr. Rovala testified at length concerning the  
12 steps to be taken when working as an adjuster. Coupled with the  
13 testimony of his former customers, Mr. Rovala's testimony  
14 demonstrates that he has had sufficient "experience or special  
15 education or training with reference to the handling of loss  
16 claims of sufficient duration and extent reasonably to make him  
17 competent to fulfill the responsibility of an adjuster." A.R.S.  
18 §20-312(C). No contrary evidence was introduced into the record.

19 14. Mr. Rovala has a record of fraud or  
20 misrepresentation in the application for, or attempt to obtain  
21 any insurance license. This question has been conclusively  
22 determined in a previous proceeding involving Mr. Rovala and this  
23 Department. Docket No. 8523, page 11, line 14 to p. 16, line 2.

24 15. Mr. Rovala's record of fraud or misrepresentation  
25 created a sufficient basis to refuse to renew License No. 18400  
26 in Docket No. 8523. In the present proceeding, the facts do not  
27 support the imposition of further sanctions based upon the  
28 previous transgression.

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CONCLUSIONS OF LAW

1. Mr. Rovala received notice of this proceeding as prescribed by A.R.S. §§20-163 and 41-1061.

2. The Director has jurisdiction over this matter pursuant to A.R.S. §§20-142, 20-290 and 20-312.

3. Mr. Rovala satisfactorily demonstrated that he possesses the requisite qualifications for the issuance of an adjuster license.

ORDER

The Department shall issue an adjuster license to Kari Aulis Rovala, dba KDL Industries, dba Insureds Adjustment Company.

EFFECTIVE this 10th day of July, 1995.



CHRIS HERSTAM  
Director of Insurance



GREGORY Y. HARRIS  
Chief Administrative Law Judge

NOTIFICATION OF RIGHTS

The aggrieved party may request a rehearing with respect to this Order by filing a written petition with the Administrative Law Division 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).

The final decision of the Director may be appealed to the Superior Court of Maricopa County for judicial review pursuant to A.R.S. §20-166.



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COPY of the foregoing mailed/delivered  
this 10th day of July, 1995, to:

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Chris Crawford