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INSURANCE DEPARTMENT

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ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
AON RISK SERVICES CENTRAL, INC.	:	40 Purdons Statutes,
200 East Randolph Street	:	Sections 310.11(20) and 991.1622
8^{th} Floor	:	
Chicago, Illinois 60601	:	
	:	
Respondent.	:	Docket No. CO08-06-023

CONSENT ORDER

AND NOW, this 24th day of October, 2008, this Order is hereby issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that it has received proper notice of its rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. § 101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following Findings of Fact:

(a) Respondent is Aon Risk Services, Central, Inc. and maintains its address at: 200 East Randolph Street, 8th Floor, Chicago, Illinois 60601.

(b) Respondent possesses Pennsylvania non-resident producer and surplus lines licenses.

(c) At all relevant times herein, Aon (Bermuda), Limited, and its producer, Michael Souza, have never possessed licenses to transact insurance in Pennsylvania.

(d) Respondent procured surplus line insurance policy, No. 5141218, effective October 20, 2007, from AIG CAT Excess Liability through an affiliate, Aon (Bermuda), for Blank Rome, LLP, Philadelphia, Pennsylvania. The insurance was for punitive damages coverage.

(e) Surplus lines taxes totaling $228.53 were remitted to the Pennsylvania Department of Revenue for Blank Rome on November 20, 2007, by Blank Rome as independently procured although the attached declaration page showed the producer was Aon (Bermuda).

(f) The tax filings submitted to the Pennsylvania Department of Revenue included copies of communications between AIG CAT Excess Liability and Aon (Bermuda) which confirmed that Respondent participated in the procurement.

(g) On August 28, 2008, information was provided by Respondent that showed it acted as the retail producer in the procurement of the insurance for Blank Rome.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

(a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.

(b) 40 Purdons Statutes, Section 310.11(20) prohibits a licensee from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure (40 P.S. § 310.11).

(c) Respondent's activities described above in paragraphs 3(b) through 3(f) violate 40 Purdons Statutes, Section 310.11(20)

(d) Respondent's violations of 40 Purdons Statutes, Section 310.11(20) are punishable by the following, under 40 Purdons Statutes, Section 310.91:

(i) suspension, revocation or refusal to issue the certificate of qualification or license;

(ii) imposition of a civil penalty not to exceed five thousand dollars ($5,000.00) for every violation of the Act;

(iii) an order to cease and desist; and

(iv) any other conditions as the Commissioner deems appropriate.

(e) 40 Purdons Statutes, Section 991.1622 requires the tax provided by section 1621(a) is to be imposed upon an insured who independently procures insurance on a subject of insurance resident, located or to be performed in this Commonwealth from a nonadmitted insurer or continues or renews such independently procured insurance. The insured shall, within thirty (30) days after the date when such insurance was independently procured, continued or renewed, report such transaction on forms prescribed by the Department of Revenue. This report shall set forth the information required of surplus lines licensees as required in section 1621 (c). The tax of three per centum (3%) shall be paid on the date the report is due as provided in this section. If the independently procured insurance covers risks resident, located or to be performed in one or more states other than this Commonwealth, the premium taxes shall be prorated in accordance with provisions in section 1621(d). A copy of such report shall be filed with the commissioner by the insured.

(j) Respondent's activities described above in paragraphs 3(c) through 3(g) violate 40 Purdons Statutes, Section 991.1622.

(k) Respondent's violations of 40 Purdons Statutes, Section 991.1622 are punishable by the following, under 40 Purdons Statutes, Section 991.1625(b):

(i) imposition of a penalty not exceeding $1,000 for the first offense and $2,000 for each succeeding offense.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

(a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.

(b) Respondent shall pay a civil penalty of Five Thousand Dollars ($5,000.00) to the Commonwealth of Pennsylvania. Payment of this penalty shall be made by certified check or money order, payable to the Commonwealth of Pennsylvania. Payment should be directed to April Phelps, Bureau Secretary, Bureau of Enforcement, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment may be enclosed with the Consent Order, but must be paid in any event no later than thirty (30) days after the date of the Consent Order.

(c) Respondent's certificates and licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Order have not been complied with, or (ii) any complaint against the Respondent is accurate and a statute or regulation has been violated. The Department's right to act under this section is limited to a period of five (5) years from the date of this Order.

(d) Respondent specifically waives its right to prior notice of said suspension, but will be entitled to a hearing upon written request received by the Department no later than thirty (30) days after the date the Department mailed to Respondent by certified mail, return receipt requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondent's written request.

(e) At the hearing referred to in paragraph 5(c) of this Order, Respondent shall have the burden of demonstrating that it is worthy of a license.

(f) In the event Respondent's certificates and licenses are suspended pursuant to paragraph 5(d) above, and Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that it is worthy of a license, Respondent's suspended certificates and licenses shall be revoked.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law; or, if applicable, the

Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law

contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or a duly authorized delegee.

BY: AON RISK SERVICES CENTRAL, INC.
Respondent

~~President~~ / Vice President
Paulette Solinski, Assoc. Genl Counsel

COMMONWEALTH OF PENNSYLVANIA
By: RONALD A. GALLAGHER
Deputy Insurance Commissioner