

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

INSURANCE DEPARTMENT  
2010 JUN 16 AM 10:43  
ADMIN HEARINGS OFFICE

**IN RE: Robert Holmes**  
**1758 Meadowcrest Drive**  
**Pittsburgh, PA 15241**

Respondent

ALLEGED VIOLATIONS:

Sections 611-A (4), (7), (17),  
& (20) of the Insurance  
Department Act of 1921,  
Act of May 17, 1921, P.L. 789,  
No. 285, as amended  
(40 P.S. § 310.11)

31 Pa. Code §§37.46 and 37.47

Docket No. SC10-04-002

**SETTLEMENT AGREEMENT**

THIS AGREEMENT is made this <sup>16<sup>th</sup></sup> day of June, 2010 between the Insurance Department of the Commonwealth of Pennsylvania ("Department") and Robert Holmes ("Respondent") (collectively, "the Parties").

**WHEREAS**, on April 27, 2010, the Department filed an Order to Show Cause before the Insurance Commissioner and against Respondent as captioned-above; and

**WHEREAS**, the Order to Show Cause alleges that Respondent violated the Insurance Company Law of 1921, as amended by, *inter alia*, withholding insurance premiums received from an insured (40 P.S. §§ 310.11(4), (7), (20), 31 Pa. Code §§37.46 and 37.47); and

**WHEREAS**, Respondent denied committing the insurance law violations alleged in the Order to Show Cause; and

**WHEREAS**, in the interest of avoiding the uncertainty of litigation and further costs related thereto, the parties have determined to settle this matter pursuant to the terms outlined below:

**AGREEMENTS**

**NOW THEREFORE**, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Respondent understands his rights to a formal administrative hearing and hereby waives the same. Respondent further agrees that the agreements contained herein shall have the same force and effect of an Order entered in accordance with Administrative Agency Law, 2 Pa.C.S. §101 et seq. or other applicable law.

2. Respondent shall cease and desist from any future violations of Pennsylvania insurance laws and regulations, including, but not limited to those described in the Order to Show Cause.

3. Respondent shall timely, fully and accurately respond to any and all communications, including but not limited to any investigations or inquiries, received from the Insurance Department, in compliance with 40 Purdon's §310.12 (requiring licensees to provide a written response to the Department within 30 days of receipt of a written inquiry).

4. Within thirty (30) days from the execution of this Settlement Agreement, Respondent shall pay \$525.75 in restitution to American General Life & Accident Insurance

Company. Within 10 days thereof, Respondent shall provide proof of such to the Insurance Department.

5. Respondent's certificates and licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Settlement Agreement have not been complied with, or (ii) any complaint against 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 settlement agreement.

6. Respondent specifically waives his 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.

7. At the hearing referred to in paragraph seven (6) of this Settlement Agreement, Respondent shall have the burden of demonstrating that he is worthy of an insurance license.

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

9. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Agreement, 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 Agreement 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 Agreement in any other court of law or equity having jurisdiction.

10. Alternatively, in the event the Insurance Department finds that there has been a breach of any of the provisions of this Agreement, the Department may declare this Agreement 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.

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

12. This Agreement is intended only to resolve the litigation between the Department and Respondents resulting from the Order to Show Cause filed under the above-captioned docket.

13. For and in consideration of Respondent's release and discharge of the Commonwealth of Pennsylvania and the Department from any action, claim or demand arising out of the activities and conduct identified in or relating to the Order to Show Cause, the Commonwealth of Pennsylvania and the Department hereby release and discharge Respondent

from any claims in any court which the Commonwealth of Pennsylvania and/or the Department have or may have as a result of the allegations made in the Department's Order to Show Cause filed under the above-captioned docket.

14. For and in consideration of the Commonwealth of Pennsylvania's and the Department's release and discharge of Respondent from any action, claim or demand arising out of the activities and conduct identified in or relating to the Order to Show Cause, Respondent hereby releases and discharges the Commonwealth of Pennsylvania and the Department from any claims in any court which Respondent has or may have as a result of the allegations made in the Order to Show Cause filed under the above-captioned docket. This release does not foreclose Respondent from his right to defend against claims brought by the Department concerning potential future violations or in relation to any enforcement proceeding taken pursuant to paragraph five (5) above.

15. Within three (3) business days of the execution of this Agreement by all parties, the Department will file a request for discontinuance of this matter with the Administrative Hearings Office.

16. This Agreement shall be final upon execution by Respondent and by the Deputy Insurance Commissioner. Only the Insurance Commissioner or his duly authorized Deputy Insurance Commissioner is authorized to bind the Insurance Department with respect to the settlement of the alleged violations and this Settlement Agreement is not effective until executed by the Insurance Commissioner or his duly authorized Deputy Insurance Commissioner.

17. Miscellaneous.

(A) Captions and Section headings. Captions used herein are for convenience only, and are not a part hereof, and shall not be used in construing this Agreement.

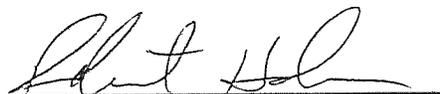
(B) Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns, and, in addition hereto, shall be binding upon any receiver, liquidator, rehabilitator, conservator, supervisor and any other person or entity governmental or non-governmental, exercising or seeking to exercise the powers of the persons named above.

(C) Governing Law. This Agreement shall be governed by, and construed in accordance with the laws of the Commonwealth of Pennsylvania.

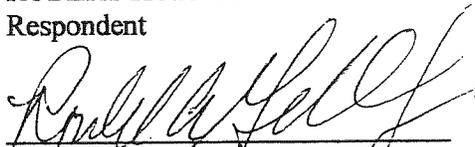
(D) Integration. This Agreement contains the entire agreement of the parties respecting the subject matter herein and supersedes all previous communications, representations, or agreements, either verbal or written, among the parties.

Executed the day and year first above written.

BY:



ROBERT HOLMES  
Respondent



RONALD A. GALLAGHER, JR.  
Deputy Insurance Commissioner  
Commonwealth of Pennsylvania