

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: : VIOLATIONS:  
: :  
DUONG T. KING : Sections 611-A(20) and 674-A of  
1366 Perkiomen Avenue : Act 147 of 2002 (40 P.S. §§ 310.11  
Reading, PA 19602 : and 310.74)  
: :  
ADONIRAM INSURANCE AGENCY, :  
INC. :  
249 South 12<sup>th</sup> Street :  
Reading, PA 19602 :  
: :  
Respondents : Docket No. CO06-07-032

RECEIVED  
INSURANCE DEPARTMENT  
2007 JUN 21 PM 2:03  
ADMIN HEARINGS OFFICE

CONSENT ORDER

AND NOW, this *21<sup>st</sup>* day of *June*, 2007, 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. Respondents hereby admit and acknowledge that they have received proper notice of their rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. § 101, et seq., or other applicable law.

2. Respondents hereby waive all rights to a formal administrative hearing in this matter, and agree 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 Duong T. King, and maintains her address at 1366 Perkiomen Avenue, Reading, Pennsylvania 19602.
- (b) Respondent is Adoniram Insurance Agency, Incorporated, and maintains its address at 249 South 12<sup>th</sup> Street, Reading, Pennsylvania 19602.
- (c) At all times herein, Respondent King was a licensed resident producer, license # 362390, which license expires on August 15, 2008.
- (d) At all times herein, Respondent Adoniram was licensed as a resident producer agency, license # 64963, which license expires on August 3, 2008.
- (e) Between February and September, 2006, Respondents employed unlicensed Consumer Service Representatives.

- (f) Between February and September, 2006, Respondents, as part of the employees' training program, instructed the employees on completing insurance contracts, accessing the computer for rate information, and practicing signing Respondent King's signature in order to accurately place her signature on policy applications.
  
- (g) Additionally, the Consumer Service Representatives were instructed on a fee system regarding consumers purchasing insurance and various other fees for services.
  
- (h) Between February and September, 2006, Respondent's employees issued insurance applications bearing the non-genuine signature of Respondent King.
  
- (i) Of the above-referenced applications, all coverage was placed.

#### 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) Respondents are subject to the jurisdiction of the Pennsylvania Insurance Department.

- (b) Section 611-A(20) of Act 147 of 2002 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) Respondents' activities described above in paragraphs 3(e) through 3(i) violate Section 611-A(20) of Act 147 of 2002.
- (d) Respondents' violations of Section 611-A(20) of Act 147 of 2002 are punishable by the following, under Section 691-A of Act 147 of 2002 (40 P.S. § 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 each violation of the Act;
  - (iii) an order to cease and desist; and
  - (iv) any other conditions as the Commissioner deems appropriate.
- (e) Section 641.1-A of Act 147 of 2002, Doing Business With Unlicensed Persons, states any insurance entity or licensee accepting applications or orders for insurance from any person or securing any insurance business that was sold,

solicited or negotiated by any person acting without a license shall be subject to civil penalty of no more than \$5,000 per violation.

- (f) Respondents' activities described above in paragraphs 3(e) through 3(i) violate Section 641.1-A Act 147 of 2002.

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) Respondents 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 Sharon L. Fraser, Office Manager, 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) Respondents' certificates and licenses may be immediately suspended by the Department following its investigation and determination that (i) penalty payment has not been made, or (ii) any other terms of this Order have not been complied with, or (iii) 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 Order.
- (d) Respondents specifically waive the 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 Respondents 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 Respondents' written request.
- (e) At the hearing referred to in paragraph 5(d) of this Order, Respondents shall have the burden of demonstrating that they are worthy of a license.
- (f) In the event Respondents' certificates and licenses are suspended pursuant to paragraph 5(c) above, and Respondents either fail to request a hearing within thirty (30) days or at the hearing fails to demonstrate that they are worthy of a license, Respondents' 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.

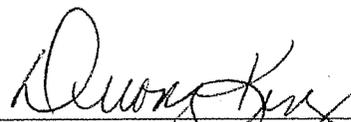
8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

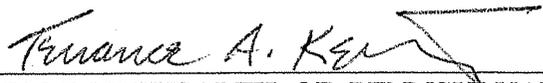
9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

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 the duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violation of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or the duly authorized delegee.

BY:

  
DUONG T. KING, and ADONIRAM  
INSURANCE AGENCY, INC.,  
Respondents

  
COMMONWEALTH OF PENNSYLVANIA  
By: Terrance A. Keating  
Deputy Chief Counsel