

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:
CLIFFORD L. McCOY

117 Carlton Avenue,
Marlton, NJ 08053

Respondent.

Violations: Sections 611-A, 641.1-A,
671-A of Act 147 of 2002 (40 P.S.
§§ 310.11, 310.41a, 310.71)

Docket No. CO06-12-009

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ADMIN HEARINGS OFFICE

CONSENT ORDER

AND NOW, this *15th* day of *December*, 2006, this Order is hereby issued by the Deputy Insurance Commissioner 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 he has received proper notice of his 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.

3. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

4. The Deputy Insurance Commissioner finds true and correct each of the following Findings of Fact:

- (a) Respondent, Clifford L. McCoy, maintains his address at 117 Carlton Avenue, Marlton, NJ 08053.
- (b) At all relevant times herein, Respondent McCoy has been a licensed Pennsylvania Individual Resident Producer, license number 359213, which expires on October 19, 2008.
- (c) Respondent McCoy is the sole qualifying active officer of Aarow Insurance Agency Inc. ("Aarow") and A-Mobile Insurance Agency Inc. ("A-Mobile").

- (d) Aarow is located at 3970 E. Roosevelt Blvd., Philadelphia PA 17124, and is a licensed Pennsylvania Resident Producer Agency, license number 61637, with an expiration date of December 15, 2008.
- (e) A-Mobile is located at 3970 E. Roosevelt Blvd., Philadelphia PA 17124, and is a licensed Pennsylvania Resident Producer Agency, license number 55740, with an expiration date of December 17, 2007.
- (f) Respondent McCoy subcontracted with Access General Agency of Pennsylvania ("Access General") to process applications for insurance underwritten by Lincoln General Insurance Company ("Lincoln General").
- (g) McCoy was not appointed as a producer for either Lincoln General or Access General.
- (h) At the time of submission of applications, Access General was not licensed to do business in the state of Pennsylvania.
- (i) Certain individuals employed by Respondent McCoy accepted applications for private passenger auto insurance through an online system, accessing it via McCoy's password. Said individuals were not licensed to transact the business in the state of Pennsylvania.

- (j) In doing so, said unlicensed individuals falsely designated out-of-state applicants as residing in Pennsylvania.
- (k) Respondent completed and forwarded said applications to Lincoln General for coverage.

CONCLUSIONS OF LAW

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

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) Respondent's activities, above, constitute violations of Pennsylvania Insurance laws, specifically:
 - (i) Acting on behalf of or as a representative of an insurer without being appointed by such insurer. 40 P.S. §310.71.
 - (ii) 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 an insurance producer license. 40 P.S. §310.41a.
 - (iii) Violating the insurance laws/regulations of the Commonwealth. 40 P.S. §310.11(2).

- (iv) Using fraudulent, coercive, or dishonest practices to demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business. 40 P.S. §310.11(7).
 - (v) Knowingly accepting insurance business which was sold, solicited or negotiated by a person who is not licensed as an insurance producer. 40 P.S. §310.11(11).
 - (vi) Demonstrating a lack of general fitness, competence or reliability sufficient to establish worthiness. 40 P.S. §310.11(20).
- (c) Respondent's violations subject them to the following penalties under 40 P.S. §310.91:
- (i) Denial, suspension, refusal to renew or revocation of Respondent's licenses.
 - (ii) A civil penalty of up to \$5,000 per violation.
 - (iii) A cease and desist order.
 - (iv) Any other conditions as the Commissioner deems appropriate.

ORDER

6. In accord with the above Findings of Fact and Conclusions of Law, the Deputy Insurance Commissioner 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. Respondent is prohibited from directly or indirectly participating in the operation or the business of Aarow or A-Mobile, nor may he maintain

any ownership interest in either entity.

- (b) Respondent's licenses/certificates to conduct the business of insurance within the Commonwealth of Pennsylvania are hereby revoked for a period of five (5) years, effective the date of this Order.

- (c) Should Respondent ever become licensed in the future, Respondent's license(s) may be immediately suspended by the Department following its investigation and determination that (a) a penalty payment has not been made, and/or (b) any other terms of this Order have not been complied with, and/or (c) any complaint against Respondent is accurate and a statute or regulation has been violated. The Department's right to act under (c) above is limited to a period of five (5) years from the date of any such relicensure.

- (d) 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.

- (e) At the hearing referred to in paragraph 6(d) of this Order, Respondent shall have the burden of demonstrating that he is worthy of an insurance license.
- (f) In the event Respondent's license(s) are suspended pursuant to paragraph 6(c) above, and the 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 license(s) shall be revoked.

7. In the event the Deputy Insurance Commissioner 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, he may, in his discretion, pursue any and all legal remedies available to him, including but not limited to the following: The Deputy Insurance Commissioner may enforce the provisions of this Order in the Commonwealth Court of Pennsylvania or in any other court of law or equity having jurisdiction; or the Deputy Insurance Commissioner may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. Alternatively, in the event the Deputy Commissioner finds that there has been a breach of any of the provisions of this Order the Deputy Commissioner 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 provisions of law.

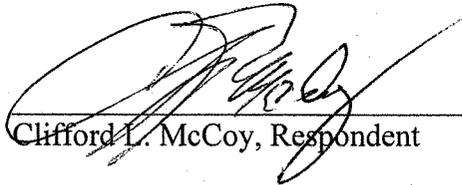
9. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

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

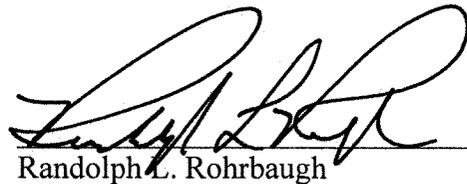
11. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all parties hereto.

12. This Order shall be final upon execution by the Deputy Insurance Commissioner. Only the Insurance Commissioner or her duly authorized Deputy Insurance Commissioner 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 her duly authorized

Deputy Insurance Commissioner. The penalties, if any, imposed by this Order are not effective until execution by the Insurance Commissioner or her duly authorized Deputy Insurance Commissioner.



Clifford L. McCoy, Respondent



Randolph L. Rohrbaugh
Deputy Insurance Commissioner
Commonwealth of Pennsylvania