

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

2007 AUG -8 AM 10: 53
ADMIN HEARINGS OFFICE

IN RE: : VIOLATIONS:
: :
Sandra Petrisko : 40 P.S. §§310.11, 310.42, 310.47(a)(1),
900 Commerce Drive, Suite 909 : §§1171.4, 1171.5.
Coraopolis, PA 15108 : :
: :
Respondent : Docket No. C007-08-003

CONSENT ORDER

AND NOW, this 8 day of AUGUST, 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. Respondent hereby admits and acknowledges proper notice of the right 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 Insurance Department finds true and correct each of the following Findings of Fact:

- a. Respondent, Sandra Petrisko holds an individual producer license, (license # 279852), which license expires July 1, 2009.
- b. At all relevant times, Petrisko was the qualified active officer of Republic Insurance Associates ("Republic"), an insurance agency licensed as a producer to transact business of insurance in Pennsylvania (license # 60113).
- c. At all relevant times, Petrisko and Republic were appointed by CNA/Western Surety to issue performance bonds on behalf of those entities.
- d. Respondent, by and through Republic, issued four bonds to a policyholder in 2004 and 2005, collecting \$13,297 in premium for payment of the bonds.
- e. Respondent never remitted premiums for the bonds to CNA/Western Surety.
- f. Respondent retained the premium without the knowledge or consent of either the insured or CNA/Western Surety.

CONCLUSIONS OF LAW

5. 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. Section 611-A(2) of Act 147 of 2002 prohibits §310.11(2) violating the insurance laws or regulations of this Commonwealth.
- c. Section 611-A(4) of Act 147 of 2002 prohibits improperly withholding, misappropriating or converting money or property received in the course of doing business.
- d. Section 611-A(7) of Act 147 of 2002 prohibits a licensee from demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this Commonwealth or elsewhere.
- e. Section 611-A(17) of Act 147 of 2002 prohibits a licensee from committing fraud, forgery or dishonest acts or an act involving a breach of fiduciary duty.
- f. 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(20)).

- g. Respondent's activities described above in paragraphs 4(a) through 4(j) violate Sections 611-A(2),(4),(5),(6) (7), (9), (17) and (20), and Sections 642-A, and 647-A and of Act 147 of 2002.
- h. Respondent's violations of Sections 611-A(2),(4),(5),(6) (7), (9), (17) and (20), 642-A, and 647-A and of Act 147 2002 are punishable by the following, under Section 691-A (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.
- i. The Unfair Insurance Practices Act prohibits any trade practice which is defined or determined to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance. 40 P.S. §§1171.4, 1171.5.
- j. Respondent's activities described above constitute violations of Sections 4

and 5 of the Unfair Insurance Practices Act, 40 P.S. §§1171.4, 1171.5.

k. Respondents' violations of Sections 4 and 5 of the Unfair Insurance Practices Act give rise to the following penalties:

- (i) for each method of competition, act or practice defined in Section 5 and in violation of the Act which the person knew or reasonably should have known was such a violation, a penalty of not more than five thousand dollars (\$5,000.00) for each violation, not to exceed an aggregate penalty of fifty thousand dollars (\$50,000.00) in any six month period;
- (ii) for each method of competition, act or practice defined in Section 5 and in violation of this Act which the person did not know nor reasonably should have known was such a violation, a penalty of not more than one thousand dollars (\$1,000.00) for each violation, not to exceed an aggregate penalty of ten thousand dollars (\$10,000.00) in any six month period;
- (iii) for each violation of an Order issued by the Commissioner pursuant to Section 9 of the Act, while such Order is in effect, a penalty of not more than ten thousand dollars (\$10,000.00).

ORDER

6. 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 hereby surrenders her insurance licenses/certificates for a period of five (5) years, effective from the date of this Order.
- c. Respondent may not reapply for licensure for a period of five (5) years from the date of this Order. Further, in addition to all other proscriptions and terms of this Order, Respondent may not apply for, or become, relicensed until she has provided proof that all restitution has made for funds that were misappropriated.
- d. 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 (i) any terms of this Order have not been complied with, and/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 ten (10) years from the date of any such re-licensure.

- e. Respondent specifically waives her 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.

- f. At the hearing referred to in paragraph 6(e) of this Order, Respondent shall have the burden of demonstrating that she is worthy of an insurance license.

- g. In the event Respondent's license(s) are suspended pursuant to paragraph 6(d) above, and the Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that she is worthy of a license, Respondent's suspended license(s) shall be revoked.

7. 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, it may, in his discretion, pursue any and all legal remedies available, including but not limited to the following: The Insurance Department 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 Insurance 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.

8. Alternatively, in the event the 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 provisions of law.

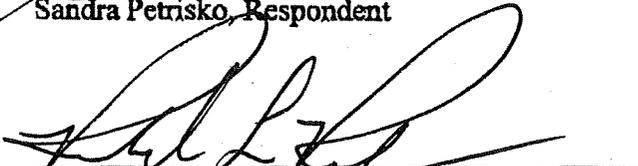
9. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

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


Sandra Petrisko, Respondent


RANDOLPH L. ROHRBAUGH
Deputy Insurance Commissioner
Commonwealth of Pennsylvania