

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

RECEIVED
INSURANCE DEPARTMENT

2009 MAY 15 AM 11:29

ADMIN HEARINGS OFFICE

IN RE: : VIOLATIONS:
: :
RODELLA S. SMITH, doing business as : 40 Purdons Statutes, Section
UNIVERSAL INSURANCE : 310.11(20) and 310.96
CONNECTIONS, INC. :
5209 No. 9th Street, :
Philadelphia, Pennsylvania 19141 : Title 31, Pennsylvania Code,
: Section 37.81
: :
Respondents : Docket No. CO09-02-029

CONSENT ORDER

AND NOW, this *15th* day of *MAY*, 2009, 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 Rodella S. Smith, and maintains her residence at 5209 No. 9th Street, Philadelphia, Pennsylvania 19141.
- (b) Respondent is Universal Insurance Connections, Inc., and maintains a business address at 5209 No. 9th Street, Philadelphia, Pennsylvania 19141.
- (c) Respondent Smith has an active resident individual producer license number 404166 that expires on May 31, 2010.
- (d) Respondent Universal has an active resident agency producer license number 56052 that expires on January 2, 2010.
- (e) Respondent Smith is the designated licensee of Respondent Universal Insurance Connections, Inc.

- (f) Between April 13, 2008 and November 23, 2008, on sixteen (16) occasions, Respondent Smith, as the designated licensee of Respondent Universal, failed to remit \$14,685.11 in premiums to Farmers Insurance Group.
- (g) Respondent Smith has admitted responsibility for the above actions, and has made the carriers whole.

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) 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.
- (c) Respondents' activities described above in paragraph 3(f) violate 40 Purdons Statutes, Section 310.11(20).

(c) Respondents' activities described above in paragraph 3(f) violate 40 Purdons Statutes, Section 310.11(20).

(d) 40 Purdons Statutes, Section 310.96 and Title 31, Pa. Code, Section 37.81, the regulations of the Insurance Department, prohibit producers from, without the express consent of the insurance entity on whose behalf the funds were received, mingle the funds with the producer's own funds or with funds held by the producer in any other capacity. The funds of each insurance entity must be reasonably ascertainable from the books of accounts and records of the insurance producer.

(e) Respondents' activities described above in paragraph 3(f) constitute a violation of 40 Purdons Statutes, Section 310.96, and Title 31, Pa. Code, Section 37.81.

(f) Respondents' violations of Sections 310.11(20) and 310.96 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.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondents consent 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) Respondents' 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 Respondents are 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.
- (c) 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 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 Respondents' written request.

- (d) 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.
- (e) 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 fail 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, Respondents 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. Respondents hereby expressly waive 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 delegate 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: RODELLA S. SMITH
RODELLA S. SMITH, individually and on
behalf of UNIVERSAL INSURANCE
CONNECTIONS, INC., Respondent

RONALD A. GALLAGHER, JR.
COMMONWEALTH OF PENNSYLVANIA
By: Ronald A. Gallagher, Jr.
Deputy Insurance Commissioner