

2017 OCT 23 AM 11:15 BEFORE THE INSURANCE COMMISSIONER
OF THE
ADMIN HEARINGS OFFICE COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
CRAIG JAMES CLARK	:	40 P.S. §§ 310.11(7), (9) and (20)
115 Fairfield Drive	:	
Barto, PA 19504	:	
	:	
	:	
	:	
	:	
Respondent.	:	Docket No. CO17-07-008

CONSENT ORDER

AND NOW, this 23rd day of October, 2017, 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 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. Without admitting the allegations of fact and conclusions of law contained herein, Respondent specifically denies that he violated any law or regulation of the Commonwealth.

FINDINGS OF FACT

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

- (a) Respondent is Craig James Clark, and maintains his address at 115 Fairfield Drive, Barto, PA 19504.
- (b) Respondent is, and at all times relevant hereto has been, a licensed resident producer.
- (c) Respondent's client, on April 16, 2016, completed an application for a commercial vehicle insurance policy with Selective Insurance Company of South Carolina (Selective) on behalf of a client's Limited Liability Company (LLC). The policy's effective date was March 29, 2016.
- (d) Respondent's client, the owner of the LLC, was not listed as an additional insured on the LLC's commercial vehicle policy. Additionally, multiple vehicles listed on the application were not owned or leased by the LLC at

the time the client signed and submitted the application, although this information was not known to Respondent at that time the client signed the application.

- (e) At the client's request, Respondent, on April 21, 2016, attempted to add the client's newly acquired, personally- owned vehicle, to the LLC's commercial vehicle policy.
- (f) Respondent was informed by Selective on April 28, 2016 that the LLC would have to have an insurable interest in personally-owned vehicles in order to be covered under the commercial vehicle policy.
- (g) A lease was used to create an insurable interest in the personal vehicles.
- (h) Respondent, between May 12 and July 5, 2016, attempted to contact the client at least seven (7) times regarding the need for a lease agreement for his vehicle or to otherwise establish an insurable interest in the personal-owned vehicle in the LLC.
- (i) On July 8, 2016, Respondent sent the client a form of a lease for the personally-owned vehicle which the client signed and sent back to Respondent who then sent it to Selective on the same day.

- (j) The client told Respondent to “get it done” which Respondent interpreted as authorization to place the insured’s signature on a vehicle lease agreement backdated to March 29, 2016.
- (k) Believing he had authorization, Respondent copied the Client’s signature onto the back-dated lease Respondent had generated.

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) 40 P.S. § 310.11(7) prohibits a licensee or an applicant from using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business.
- (c) Respondent’s activities described above in paragraph 3(k) violate 40 P.S. § 310.11(7).

- (d) 40 P.S. § 310.11(9) prohibits a licensee or an applicant from forging another person's name on an insurance application or any document related to an insurance or financial service transaction.
- (e) Respondent's activities described above in paragraph 3(k) violate 40 P.S. § 310.11(9).
- (f) 40 P.S. § 310.11(20) prohibits a licensee or an applicant from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure.
- (g) Respondent's activities described above in paragraph 3(k) violate 40 P.S. § 310.11(20).
- (h) Respondent's violations of §§ 310.11(7), (9) and (20), are punishable by the following, under 40 P.S. § 310.91:
 - (i) suspension, revocation or refusal to issue the 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

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 shall pay a civil penalty of Ten Thousand Dollars (\$10,000) 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 the Bureau of Licensing and 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 fourteen (14) days after the date of the Consent Order.
- (c) Respondent's 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 confirmed 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) 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 5(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 licenses are suspended pursuant to paragraph 5(c) 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.

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, 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 provisions of law; or, if applicable, the

Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

8. Alternatively, in the event the Insurance Department finds 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.

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 the parties hereto.

12. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee 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 duly authorized delegee.

BY: 
CRAIG JAMES CLARK, Respondent


COMMONWEALTH OF PENNSYLVANIA
By: CHRISTOPHER R. MONAHAN
Deputy Insurance Commissioner

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, Known as The
Administrative Code of 1929

AND NOW, this 22nd day of August, 2017, Christopher R. Monahan,
Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly
authorized representative for purposes of entering in and executing Consent Orders. This
delegation of authority shall continue in effect until otherwise terminated by a later Order
of the Insurance Commissioner.



Jessica K. Altman
Acting Insurance Commissioner

