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ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:

TRI-COUNTY GENERAL  
INSURANCE AGENCY, INC.  
5513 SR6, P.O. Box 36  
Tunkhannock, PA 18657

Respondent.

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VIOLATIONS:

40 P.S. §§ 310.11(20) and 310.45

40 P.S. §1171.5(a)(7)

Docket No. CO17-09-007

CONSENT ORDER

AND NOW, this 27<sup>th</sup> day of September, 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 it has received proper  
notice of its 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.

## FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following

### Findings of Fact:

- (a) Respondent is Tri-County General Insurance Agency, Inc. and maintains its business address at 5513 SR6, P.O. Box 36, Tunkhannock, PA 18657
- (b) Respondent is, and at all times relevant hereto has been, a licensed Pennsylvania resident producer agency.
- (c) Respondent, for several years, has paid premium on behalf of policyholders to avoid late payments, and the lapse, non-renewal, or cancellation of insurance policies.
- (d) Respondent, in or prior to 2016 and continuing through 2017, made premium payments on behalf of seven (7) customers and subsequently made additional premium payments on behalf of these customers without having been repaid the initial premium paid on behalf of the customers.
- (e) Respondent, in or prior to 2016 and continuing through 2017, paid the down payment seven (7) times on behalf of customers who premium financed their policies.

- (f) Respondent admitted to normally paying premium on behalf of longtime or well-known customers whom Respondent believes will repay them.
- (g) Twenty five (25) customers owe approximately \$18,000 to \$20,000 to Respondent for premium Respondent paid on their behalf.

#### 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) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 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.
- (c) Respondent's activities described above in paragraphs 3(c) through 3(h) violate 40 P.S. § 310.11(20).

- (d) 40 P.S. § 310.45 prohibits producers from offering rebates for insurance on any risk in this Commonwealth.
- (e) Respondent's activities described above in paragraphs 3(d) and 3(e) constitute offering rebates for insurance on a risk in this Commonwealth and violate 40 P.S. § 310.45.
- (f) Respondent's violations of §§ 310.11(20) and 310.45 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.
- (g) 40 P.S. § 5(a)(7)(ii) prohibits making or permitting any unfair discrimination between individuals of the same class and same hazard in the amount of premium, policy, fees, rates charged or benefits payable, or in any manner whatever.

- (h) Respondent's activities described in the paragraphs 3(c) through 3(g) constitute unfair discrimination between individuals of the same class and same hazard and violate 40 P.S. § 5(a)(7)(ii).
- (i) Respondent's violations of 40 P.S. § 1171.5(a)(7)(ii), are punishable by the following, under 40 P.S. §§ 1171.8, 1171.9, and 1171.11:
  - (i) an order requiring Respondent to cease and desist from engaging in such violation and/or, if such violation is a method of competition, act or practice defined in § 5 of this Act, suspension or revocation of Respondent's license(s);
  - (ii) commencement of an actions against Respondent for the following civil penalties:
    - (1) for each method of competition, act or practice defined in § 5 and in violation of the Act which Respondent 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;
    - (2) for each method of competition, act or practice defined in § 5 and in violation of this Act which Respondent did not know nor reasonably should have known was such a violation, each violation, not to exceed an aggregate

penalty of ten thousand dollars (\$10,000.00) in any six month period;

- (3) for each violation of an Order issued by the Commissioner pursuant to § 9 of the Act, which such Order is in effect, a penalty of not more than ten thousand dollars (\$10,000.00).

### 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) 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 (\$10,000.00) 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 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 its 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 it is worthy of a 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 it is worthy of a license, Respondent's suspended licenses shall be revoked.

6. In the event the Insurance Department find 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.

7. 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.

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.

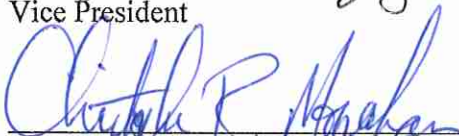


10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or 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 duly authorized delegate.

BY: TRI-COUNTY GENERAL  
INSURANCE AGENCY, INC., Respondent

  
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Vice President

  
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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 22<sup>nd</sup> 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

