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INSURANCE DEPARTMENT
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ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
LARRY M. CELASCHI P.O. Box 54 Stockdale, Pennsylvania 15483	: : :	Section 611-A(7), (20) and 671-(A) of Act 147 of 2002 (40 P.S. §§ 310.11)
	:	
Respondent.	:	Docket No. CO08-08-002

CONSENT ORDER

AND NOW, this 5th day of September, 2008, 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.

FINDINGS OF FACT

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

(a) Respondent is Larry M. Celaschi, and maintains his address at P.O. Box 54, Stockdale, Pennsylvania 15483.

(b) Respondent has been a licensed resident producer with the Pennsylvania Insurance Department since May 30, 1985. His license #403394 expires May 30, 2010.

(c) Respondent on or about August 1, 2007, after completing a Golden Rule short term major medical policy application for his client, Joseph King, made the premium payment of $306.58 for Mr. King by using his own personal Visa credit card number.

(d) Respondent on or about June 6, 2008, indicated to the Pennsylvania Insurance Department that his client, Joseph King, had made payment of the $306.58 by check and that he deposited it into his own account. Respondent acknowledged that he made a mistake by paying the premium for his client using his own personal credit card.

(e) Respondent, on or about August 16, 2007, completed Highmark Direct Blue insurance applications for Mr. and Mrs. Adrian Walls, collected the premium, and submitted the applications and premium to his office manager, Anthony Greco. Mr. Greco, who is appointed with Highmark, signed the applications as the agent of record and submitted them to Highmark.

(f) Respondent, on or about June 6, 2008, indicated to the Pennsylvania Insurance Department that he did not have an appointment with Highmark on August 16, 2007 when he completed the Highmark applications and collected the premium. Respondent's appointment with Highmark had expired on May 1, 2004.

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) Section 611-A(7) of Act 147 of 2002 (40 P.S. § 310.11) prohibits a licensee from using fraudulent, coercive or dishonest practice or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business.

(c) Respondent's activities described above in paragraphs 3(c) through 3(e) violate Section 611-A(7) of Act 147 of 2002.

(d) 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 A (20).

(e) Respondent's activities described above in paragraphs 3(c) and 3(e) violates Section 611-A (7) and (20) of Act 147 of 2002.

(g) Section 671-A of Act 147 of 2002 prohibits agents from transacting business within this Commonwealth without written appointment as required by the Act (40 P.S. § 310.71).

(h) Respondent's activities described above in paragraphs 3(c) through 3(e) constitute transacting business within this Commonwealth without written appointment as required by the Act and violate Section 671-A of Act 147 of 2002.

(i) Respondent's violations of Section 611-A(7), (20) and 671-A of Act 147 of 2002 are punishable by the following, under Section 691-A of Act 147 of 2002 (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.

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's 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 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.

(c) 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.

(d) At the hearing referred to in paragraph 5(c) of this Order, Respondent shall have the burden of demonstrating that he is worthy of a license.

(e) In the event Respondent's certificates and licenses are suspended pursuant to paragraph 5(b) 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 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, 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 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 a duly authorized delegee.

BY: Larry M. Celaschi
LARRY M. CELASCHI, Respondent

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