

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

RECEIVED  
INSURANCE DEPARTMENT  
2011 OCT 27 AM 11:56  
ADMIN HEARINGS OFFICE

IN RE: : VIOLATIONS:  
: :  
FRANCIS VINCENT FROIO, JR. : 40 P.S. §§ 310.11(4), (7), (20) and  
11 Yorkshire Road : 310.41.a  
Hamilton, NJ 08610 :  
: Respondent. : Docket No. CO11-09-004

CONSENT ORDER

AND NOW, this *27<sup>th</sup>* day of *October*, *2011*, 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 Francis Vincent Froio, Jr., and maintains an address at 11 Yorkshire Road, Hamilton, New Jersey 08610.
- (b) Respondent is, and at all relevant times herein, has been a licensed resident insurance producer, license # 437749, in the Commonwealth of Pennsylvania.
- (c) Respondent, at all times relevant, was conducting his business at 212 Fairmount Avenue, Philadelphia, Pennsylvania.
- (d) South Penns, Inc. was an insurance agency located at 20240 South 13<sup>th</sup> Street, Philadelphia, Pennsylvania, and via Adjudication and Order dated April 10, 2006, was fined, its licenses were revoked, and its principals were prohibited from further insurance licensing for violations of insurance law.
- (e) In March of 2010, Respondent allowed South Penns, Inc. to engage in activities requiring insurance licensure, as well as falsified both an insurance application and proof of insurance document for a customer.

- (f) In March of 2010, Respondent knew that the customer was previously insured with American Independent Insurance Company, but falsified the application by indicating that the customer was insured with Progressive, to circumvent Allstate's Risk Management Policies.
- (g) The evidence also indicated that Respondent falsified the Progressive proof of insurance document in an attempt to conceal his falsification of the customer's application.
- (h) Respondent has admitted that South Penns, Inc. conducted the business of insurance on his behalf, and requested a voluntary surrender of his insurance producer's license #437749.

#### 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(6) prohibits a licensee or an applicant from committing any unfair insurance practice or fraud.

- (c) Respondent's activities described above in paragraphs 3(e) through 3(h) violate 40 P.S. § 310.11(6).
- (d) 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.
- (e) Respondent's activities described above in paragraphs 3(e) through 3(h) violates 40 P.S. § 310.11(7).
- (f) 40 P.S. § 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.
- (g) Respondent's activities described above in paragraphs 3(e) through 3(h) violate 40 P.S. § 310.11(20).
- (h) 40 P.S. § 310.41a prohibits any insurance entity or licensee accepting applications or orders for insurance from any person or securing any insurance business that was sold, solicited or negotiated by any person acting without an insurance producer license.

(i) Respondent's activities described above in paragraphs 3(e) through 3(h) constitute doing business with unlicensed people, in violation of 40 P.S. § 310.41a.

(j) Respondent's violations of Sections 310.11(6), (7), (20) and 310.41a 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

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 immediately surrender all licenses to conduct the business of insurance within the Commonwealth of Pennsylvania as of the date of this Consent Order.
- (c) If Respondent should ever become licensed in the future, his 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 issuance of such licenses.
- (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.

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:



FRANCIS VINCENT FROIO, JR.,  
Respondent



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