

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
GREAT DIVIDE	:	Section 671-A of Act 147 of 2002
INSURANCE COMPANY	:	(40 P.S. § 310.71)
c/o Janet Shemanske	:	
7233 East Butherus Drive	:	
Scottsdale, AZ 85260	:	
	:	
	:	
Respondent.	:	Docket No. CO06-10-037

CONSENT ORDER

AND NOW, this *2nd* day of *February*, 2007, this Order is hereby issued by the Deputy Insurance Commissioner 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 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. 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 Deputy Insurance Commissioner finds true and correct each of the following Findings of Fact:

- (a) Respondent is Great Divide Insurance Company and maintains its address 7233 East Butherus Drive, Scottsdale, Arizona 85260.
- (b) Respondent is, and at all times relevant hereto has been, a licensed and admitted insurance company.
- (c) Between July 1998 and July 2002, Respondent sold insurance to Pennsylvania risks through a program manager named Bliss & Glennon, Redondo Beach, California, and a retail producer Shahinian Insurance Services, Tustin, California.

- (d) Respondent possessed a Pennsylvania certificate of authority as an admitted insurer and neither agency were appointed with Respondent.
- (e) Bliss & Glennon possessed no Pennsylvania insurance licenses.
- (f) Shahinian Insurance Services possessed no Pennsylvania insurance licenses and Lizabeth Ann Dorothy Shahinian, its president, possessed a Pennsylvania non-resident producer license.
- (g) Shahinian Insurance Services procured insurance for retail marketing units throughout the United States including 252 insurance coverages for risks located in Pennsylvania.
- (h) On January 20, 2006, Respondent provided a spreadsheet identifying the 252 insurance coverages with locations of risk in Pennsylvania.
- (i) On January 31, 2006, Respondent confirmed the insurance issued to the Pennsylvania risks was admitted insurance.
- (j) On February 15, 2006, Lizabeth Shahinian confirmed the aforementioned information.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Deputy Insurance Commissioner concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) Section 671-A of Act 147 of 2002 prohibits an insurance producer from acting on behalf of or as a representative of the insurer unless the insurance producer is appointed by the insurer (40 P.S. § 310.71)
- (c) Respondent's activities described above in paragraphs 3(c) through 3(j) violate Section 671-A of Act 147 of 2002.
- (d) Respondent's violations of Section 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 Deputy Insurance Commissioner 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 Sharon L. Fraser, Administrative Assistant, Bureau of 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 thirty (30) days after the date of the Consent Order.

6. In the event the Deputy Insurance Commissioner 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 Deputy Commissioner finds that there has been a breach of any of the provisions of this Order, the Deputy Commissioner 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.

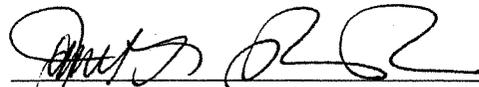
11. This Order shall be final upon execution by the Deputy Insurance Commissioner. Only the Insurance Commissioner or the duly authorized Deputy Insurance Commissioner is authorized to bind the Insurance Department with respect to the settlement of the alleged violation of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or the duly authorized Deputy Insurance Commissioner.

BY: GREAT DIVIDE INSURANCE COMPANY,
Respondent



President / ~~Vice President~~

Thomas M. Kuzma



Secretary / ~~Treasurer~~

Janet L. Shermanske



RANDOLPH L. ROHRBAUGH

Deputy Insurance Commissioner
Commonwealth of Pennsylvania