

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

INSURANCE DEPARTMENT
2008 JUN 17 PM 12:06
ADMIN HEARINGS OFFICE

IN RE: : VIOLATIONS:
: :
RICHARD B. HOPWOOD : Sections 611-A(7) and (20)
96 Meade Drive : of Act 147 of 2002 (40 P.S.)
Gettysburg, PA 17325 : §§310.11(7), (20))
: :
HOPWOOD INSURANCE AGENCY, INC.:
304 Carlisle Street :
Hanover, PA 17331 :
: :
Respondents. : Docket No. CO08-05-026

CONSENT ORDER

AND NOW, this 13TH day of JUNE, 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. Respondents hereby admit and acknowledge 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. Respondents hereby waive all rights to a formal administrative hearing in this matter, and agree 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 or denying the Findings of Fact and Conclusions of Law contained herein, Respondents deny that they violated Pennsylvania insurance laws.

FINDINGS OF FACT

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

- a) Respondent is Richard B. Hopwood, and maintains his address at 96 Meade Drive, Gettysburg, PA 17325.
- b) At all relevant times herein, Respondent has been a licensed resident insurance producer in Pennsylvania, with license number 350460, and conducts business as Hopwood Insurance Agency.
- c) Respondent is also Hopwood Insurance Agency, Inc. ("Hopwood Agency") located at 304 Carlisle Street, Hanover, Pennsylvania 17331, a licensed resident business entity producer with license number 54816.

- d) At all relevant times herein, Respondent Richard B. Hopwood was the designated licensee for the Hopwood Agency and responsible for the business entity's compliance with Pennsylvania insurance laws.
- e) On June 6, 2006, the Hopwood Agency accepted an insurance application and \$232.00 in premium on behalf of Edith Kline of New Oxford, Pennsylvania, for the placement of homeowners insurance coverage with Aegis Security Insurance Company ("Aegis") for which Richard Hopwood was an appointed producer.
- f) On June 23, 2006, Aegis advised the Hopwood Agency that it declined to issue the policy for underwriting reasons and returned the application and premiums to Hopwood Agency. The Hopwood Agency failed to refund the premiums to Kline at that time or to inform her that her application was not accepted.
- g) On September 8, 2006, Kline's mobile home was damaged by fire and she contacted the Hopwood Agency to submit a claim.
- h) On September 19, 2006, Respondent Richard Hopwood sent a letter to Kline advising her that she did not have coverage for her mobile home because Aegis had declined her June 12, 2006 application and returning her premium payment of \$252.00.

- i) Aegis ultimately settled Kline's claim for the amount of \$29,047.72 as a result of the damage to her mobile home.

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) Respondents are subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) Section 611-A(7) of Act 147 of 2002 (40 P.S. § 310.11(7)) prohibits a licensee from using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this Commonwealth or elsewhere.
- (c) Section 611-A(20) of Act 147 of 2002 (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 .
- (d) Respondents' activities described above in paragraphs 4(e) through 4(i) constitute violations of Sections 611-A(7) and (20) of

Act 147 of 2002 (40 P.S. §§ 310.11(7), (20)).

(e) Respondents' violations of Sections 611-A(7) and (20) 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

6. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondents consent to the following:

- (a) Respondents shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) All insurance licenses of Respondent Hopwood Agency in the Commonwealth of Pennsylvania are hereby revoked.

(c) Respondent Hopwood Agency shall pay a civil penalty of Five Thousand Dollars (\$5,000.00) 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 Virginia Marquart, 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.

(d) All insurance licenses of Respondent Richard Hopwood and, in the event Respondent Hopwood Agency would ever become re-licensed in the future, all insurance licenses of Respondent Hopwood Agency, 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 a 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) year from the date of this Order or, in the case of Respondent Hopwood Agency, from the date that such agency would ever become re-licensed.

(e) Respondents specifically waives the 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 a 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 a Respondent's written request.

(f) At the hearing referred to in paragraph 6(e) of this Order, Respondent shall have the burden of demonstrating he is worthy of an insurance certificate and license.

(g) In the event a Respondent's license(s) is suspended pursuant to paragraph 6(d) above, and the 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, the Respondent's suspended license 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 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.

8. 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.

9. In any such enforcement proceeding, Respondents 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.

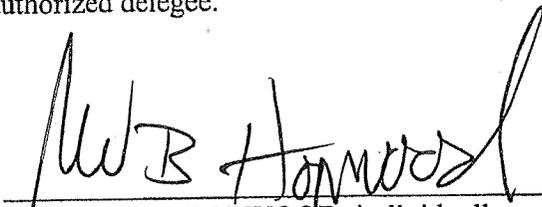
10. Respondents hereby expressly waive any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

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.

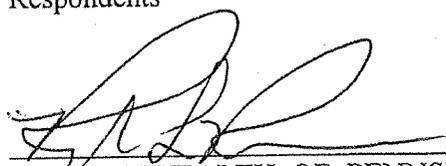
12. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or his duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law

contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or his duly authorized delegee.

BY:



RICHARD B. HOPWOOD, individually and on behalf of HOPWOOD INSURANCE AGENCY, Respondents



COMMONWEALTH OF PENNSYLVANIA
By: Randolph L. Rohrbaugh
Deputy Insurance Commissioner