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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:
	:	
MARY JUNE McCANN	:	Sections 611-A(20), 645-A and
8 Glenhaven Road	:	646-A of Act 147 of 2002
Glenolden, PA 19036	:	(40 P.S. §§310.11, 310.45 and
	:	310.46)
	:	
	:	
Respondent	:	Docket No. CO06-02-025

CONSENT ORDER

AND NOW, this 14th day of June, 2006, 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 she has received proper notice of her 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 waive 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.

3. Respondent neither admits nor denies the Findings of Fact or Conclusions of Law contained herein.

[Non-Admit]

FINDINGS OF FACT

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

- (a) Respondent is Mary June McCann, who maintains her address at
8 Glenhaven Road, Glenolden, Pennsylvania 19036.
- (b) Respondent McCann is the active Designated Licensee Producer for
The Administrators, Inc., and has an active resident individual producer
license #356991, that expires on June 16, 2006.

- (c) The Administrators Inc. is a Pennsylvania domiciled corporation and maintains its business address at 867 Sussex Boulevard, Broomall, Pennsylvania 19008.
- (d) On or about March 8, 2005, Respondent McCann, and Stephen E. Markowitz, Chief Executive Officer of The Administrators Inc., sent a letter to members of the Upper Bucks Chamber of Commerce regarding group health insurance. The letter reflects that members of The Administrators Inc.'s master association contract were entitled to The Administrators Inc.'s continuing service of their health insurance.
- (e) As of July 1, 2005, The Administrators Inc. announced the "elimination of all administrative and convenience fees". In addition, premiums could be "paid monthly or quarterly without additional costs". The letter reflected that membership dues would be required to remain on The Administrators, Inc.'s master association account, although The Administrators, Inc. was "pleased to pay for those association dues for 2005, 2006 and 2007, a three hundred and fifteen dollar (\$315.00) value."

CONCLUSIONS OF LAW

5. 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 611-A(20) of Act 147 of 2002 prohibits a licensee from demonstrating a lack of fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure (40 P.S. § 310.11).
- (c) Respondent's activities described above in paragraphs 3(c) through 3(f) violate Section 611-A(20) of Act 147 of 2002.
- (d) Section 645-A of Act 147 of 2002 prohibits producers from offering rebates for insurance on any risk in this Commonwealth (40 P.S. § 310.45).
- (e) Respondent's activities described above in paragraphs 3(c) through 3(f) constitute offering rebates for insurance on a risk in this Commonwealth and violate Section 645-A of Act 147 of 2002.

- (f) Section 646-A of Act 147 of 2002 prohibits producers from offering inducements for insurance on any risk in this Commonwealth (40 P.S. § 310.46).
- (g) Respondent's activities described above in paragraphs 3(c) through 3(f) constitute offering inducements for insurance on a risk in this Commonwealth and violate Section 646-A of Act 147 of 2002.
- (h) Respondent's violations of Sections 611-A(20), 645-A and 646-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

6. 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 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 Sharon L. Harbert, 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.

- (c) Respondent's certificates and licenses may be immediately suspended by the Department following its investigation and determination that (i) the penalty payment has not been made, or (ii) any other terms of this Order have not been complied with, or (iii) any complaints against Respondent are accurate and a statute or regulation has been violated. The Department's right to act under this section is limited to a period of three (3) years from the date of this Order.

(d) Respondent specifically waive her rights 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 6(d) of this Order, Respondent shall have the burden of demonstrating that she is worthy of licensure.

(f) In the event Respondent's certificates and licenses are suspended pursuant to paragraph 6(c) above, and Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that she is worthy of a license, Respondents' suspended certificates and licenses shall be revoked.

7. 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.

8. 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.

9. 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.

10. Respondent hereby expressly waives 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 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:



MARY JUNE McCANN, Respondent



RANDOLPH L. ROHRBAUGH
Deputy Insurance Commissioner
Commonwealth of Pennsylvania