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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 E. SNYDER 320 East Bainbridge Street Elizabethtown, PA 17022	:	40 P.S. §§ 310.11(5) and 310.11(20)
Respondent.	:	Docket No. CO12-10-022

CONSENT ORDER

AND NOW, this 25th day of January 2013, 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 E. Snyder and maintains his address at 320 East Bainbridge Street, Elizabethtown, PA 17022.

(b) Respondent is, and at all times relevant hereto has been, a resident insurance producer.

(c) Between 2009 and into 2012, inclusive, Consumers Insurance Group, Incorporated, engaged in the practice of overcharging premiums of Erie Insurance Company policyholders by improperly adjusting the terms and conditions of existing automobile insurance contracts.

(d) Respondent was employed at Consumers Insurance Group, Inc., under the supervision and management of Francis V. Schwenk, Designated Licensee, and Thomas E. Goebeler, General Manager.

(e) Changes were made to individual policies during their renewal phase, reflecting increases in the number of annual miles driven and the limits of accidental death coverage, without the policyholders' knowledge or consent.

(f) Pertinent to the investigation, Erie Insurance Company provided a spreadsheet showing mileage rates were changed from a short rate to a long rate for multiple policies for which Consumers Insurance Group received commissions.

(g) Pertinent to the investigation, Erie Insurance Company also provided a spreadsheet showing accidental death coverage was changed, generally, to the next higher level of coverage, for multiple policies and for which Consumers Insurance Group received commissions.

(h) On September 6, 2012, Francis V. Schwenk and Thomas E. Goebeler were interviewed and affirmed personal knowledge that increases were made to policyholders' insurance pertinent to mileage and accidental death without the policyholders' knowledge and consent.

(i) Francis V. Schwenk and Thomas E. Goebeler affirmed that changes to policyholders' insurance were also made by the Respondent.

(j) Respondent denied that he had engaged in the same practices with policyholders of other insurers.

(k) Respondent affirmed that Erie Insurance Company was not aware or complicit in the aforementioned activity.

(l) On October 16, 2012, Respondent was interviewed and affirmed that he had made the changes referenced above to policies of automobile insurance at renewal without the policyholders' knowledge or consent in 2009.

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(5) prohibits a licensee or an applicant from intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

(c) Respondent's activities described above in paragraphs 3(c) through 3(l) violate 40 P.S. § 310.11(5).

(d) 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.

(e) Respondent's activities described above in paragraphs 3(c) through 3(l) violate 40 P.S. § 310.11(20).

(f) Respondent's violations of Sections 310.11(5) and (20) 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 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 PA Insurance Department, Commonwealth of Pennsylvania. Payment should be directed to April Phelps, Bureau of Licensing and 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 shall assist Consumers Insurance Group and Erie Insurance Company in the latter's efforts to make restitution to such persons as the Deputy Commissioner identifies and determines are owed restitution. Respondent shall coordinate with Consumers Insurance Group, Inc. and Erie Insurance Company to provide the Insurance Department with proof of restitution within three (3) months from the date that such determination is made by the Deputy Commissioner.

(d) Respondent will assist to the best of his ability the Pennsylvania Insurance Department in conducting investigations and prosecution of any licensed or unlicensed entity performing the business of insurance including, but not

limited to, any public adjuster, insurance producer, company, etc., their employees and officers, including but not limited to testifying as a witness relative to any of the aforesaid entities, their employees and officers in any civil or administrative action involving same.

(e) Respondent's 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.

(f) 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.

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

(h) In the event Respondent's licenses are suspended pursuant to paragraph 5(e) 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.

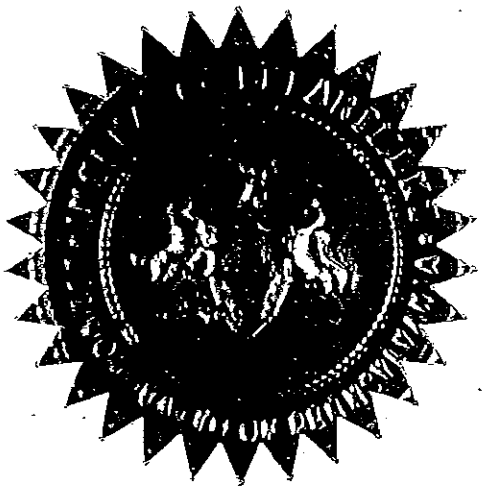
11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective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

BY: _____
LARRY E. SNYDER, Respondent

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

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, known as The Administrative Code of 1929

AND NOW, this 27th day of April, 2011, Ronald A. Gallagher, Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly authorized representative for purposes of entering in and executing Consent Orders. This delegation of authority shall continue in effect until otherwise terminated by a later Order of the Insurance Commissioner.

Michael F. Consedine
Insurance Commissioner