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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:
	:	
LORENZO WRIGHT	:	40 P.S. § 310.11(5), (7), (17)
309 S. Market Street	:	and (20)
Shenandoah, PA 17976	:	
	:	
and	:	
	:	
LORENZO WRIGHT INSURANCE	:	
AGENCY, LLC	:	
100 W. Broad Street	:	
Hazleton, PA 17976	:	
	:	
	:	
Respondent.	:	Docket No. CO13-12-011

CONSENT ORDER

AND NOW, this 23rd day of January, 2014, 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 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.S. §101, et seq. or other applicable law.

2. Respondents 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 Lorenzo Wright, and maintains his address at 309 S. Market Street, Shenandoah, PA 17976.
- (b) Co-Respondent, Lorenzo Wright Insurance Agency, L.L.C., is a resident insurance agency located at 100 West Broad Street, Hazelton, PA 18201.
- (c) Respondent and Co-Respondent are and at all times relevant hereto have been, respectively, a licensed resident producer and licensed resident agency.
- (d) From April 2012 to March 2013, Respondent was responsible for over 275 Integon National Insurance Company automobile policies to be issued

knowing the information submitted on the application for insurance contained information that was not true and correct.

- (e) Respondent admitted to circumventing insurance company issued software by using other people's personal information in the credit section of the application of a prospective client and then entering that client's name and vehicle information, thus causing a lower premium to be quoted by the company.
- (f) Respondent, by his activities described above, permitted those new policyholders to obtain automobile insurance, which led to over \$140,000 in damage claims as some of those new policyholders went on to have automobile accidents, thus causing additional losses to the insurance company, which it would not have incurred had the proper application process been adhered to.
- (g) Respondent trained and authorized three (3) newly hired producers to conduct the activity described in (d), and two of those producers opened up another Respondent owned agency in East Stroudsburg, PA and continued the activity described in (d), knowing they were not properly appointed by Integron National Insurance Company.
- (h) Co-Respondent was the sole entity in which commissions were paid for on the policies sold during the period of activity described above. Commissions

received for the sold policies by five license producers were paid for by monies received from Integon National Insurance Company.

- (i) Respondent was the only properly appointed licensed producer in the agency who was permitted to offer Integon National Insurance Company products to clients.
- (j) Respondent accepted full responsibility for the training of his staff and of the issues which were created by the activities noted above which caused financial harm and liabilities to Integon National Insurance Company.

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) Respondents are 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) Respondents' activities described above in paragraphs 3(d) and 3(g) violate 40 P.S. § 310.11(5).

- (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) Respondents' activities described above in paragraphs 3(d) through 3(g) violate 40 P.S. § 310.11(7).

- (f) 40 P.S. § 310.11(17) prohibits a licensee or an applicant from committing fraud, forgery, dishonest acts or an act involving a breach of fiduciary duty.

- (g) Respondents' activities described above in paragraphs 3(d) through 3(g) violate 40 P.S. § 310.11(17).

- (h) 40 P.S. § 310.11(20) prohibits a licensee or an applicant from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure.

- (i) Respondents' activities described above in paragraphs 3(d) through 3(i) violate 40 P.S. § 310.11(20).

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) Respondents shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) All licenses of Respondent to do the business of insurance are hereby revoked.
- (c) Respondents shall make restitution to all persons listed in the above Findings of Fact. Proof of restitution payment shall be provided to the Insurance Department by Respondent. Future license applications will not be considered until restitution has been made.
- (d) If Respondents should ever become licensed in the future, his/their 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 Respondents 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.

(e) Respondents specifically waives their 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 Respondents 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 Respondents' written request.

(f) At the hearing referred to in paragraph 5(e) of this Order, Respondents shall have the burden of demonstrating that they are worthy of an insurance license.

(g) In the event Respondents' licenses are suspended pursuant to paragraph 5(d) above, and Respondents either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that they are worthy of a license, Respondents' 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 Insurance 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.

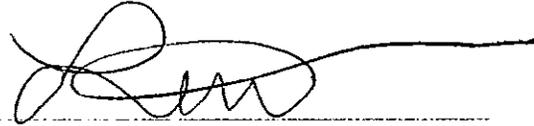
8. In any such enforcement proceeding, Respondents may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

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

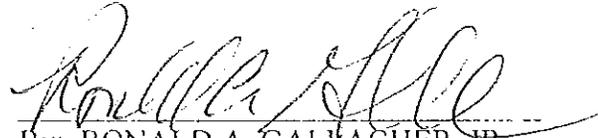
10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or the duly authorized delegee 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 delegee.

BY:



LORENZO WRIGHT, individually and on
behalf of LORENZO WRIGHT
INSURANCE AGENCY, LLC.,
Respondents



By: RONALD A. GALLAGHER, JR.
Deputy Insurance Commissioner
Commonwealth of Pennsylvania

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

