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By Admin Hearings, Ins Dept at 8:38 am, Apr 01, 2021

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: : VIOLATIONS:  
: :  
AARON TOD ALDER : 40 P.S. §§ 310.11(2), (20), and 1171.4  
11 Long Hill Road :  
South Windsor, CT 06074 :

and

The Bagnall Shaw Agency Limited Liability Company  
401 West Orange Street  
Lancaster, PA 17603

:  
:  
:  
:  
Respondent. : Docket No. CO21-03-024

CONSENT ORDER

AND NOW, this 1st day of April, 2021, this Order is hereby issued by the Insurance Department of 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 Aaron Tod Alder and maintains a record of his address with the Pennsylvania Insurance Department as 11 Long Hill Road, South Windsor, CT 06074.
- (b) Respondent is, and at all times relevant hereto has been, a licensed non-resident producer and is the Qualified Acting Officer for The Bagnall Shaw Agency Limited Liability Company.
- (c) Co-Respondent is The Bagnall Shaw Agency Limited Liability Company and the entity maintains a record of its address with the Pennsylvania Insurance Department as 401 West Orange Street, Lancaster, PA 17603.
- (d) Co-Respondent is, and at all times relevant hereto has been, a licensed resident producer agency.
- (e) Respondents, on July 10, 2019, were notified their appointments with Eire Insurance would be terminated on November 1, 2019.

- (f) Respondents, in July 2019, requested a book transfer or "book rolling" of their Pennsylvania consumers from Erie Insurance to Safeco Insurance via Safeco's Assumptive Program (Company Issuing the Policies). Erie Insurance never declared that Erie would not be renewing the policies for those insureds.
- (g) Respondents, between July-December 2019, allowed 472 insureds to be transferred via Safeco's Assumptive Program before being informed by Erie Insurance that book rolling was prohibited in Pennsylvania. These policies were issued prior to the consumers having the opportunity to elect a tort option.
- (h) Respondents, in December 2019, ceased utilizing Safeco's Assumptive Program and completed the remaining 444 transfers through Agent issued Safeco policies.
- (i) Respondents' actions identified in findings 3(f) and 3(g) caused two (2) insureds to have their vehicle registrations suspended by the Pennsylvania Department of Transportation (PennDOT) after PennDOT received notification from Safeco that the insureds' policies were canceled for nonpayment. PennDOT had no knowledge that the insureds still had active Erie insurance policies.
- (j) Respondent stated during his Department interview that he believed book rolling was permitted in Pennsylvania as it was an authorized method of transferring a book of business in many other states where he was

licensed. He stated he ceased book rolling once he was made aware that this was not permitted in Pennsylvania.

CONCLUSION 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(2) prohibits a licensee or an applicant from violating the insurance laws or regulations of this Commonwealth or a subpoena or order of the commissioner or of another state's insurance commissioner.
- (c) Respondent's activities described above in paragraphs 3(f), and 3(g) violate 40 P.S. § 310.11(2).
- (d) 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.
- (e) Respondent's activities described in paragraphs 3(e) through 3(j) violate 40 P.S. § 310.11(20).

- (f) 40 P. S. § 1171.4, prohibits agents from engaging in this Commonwealth in any trade practice which is defined or determined to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance pursuant to the Unfair Insurance Practices Act.
- (g) Respondent's activities described in paragraphs 3(f), 3(g) and 3(i) constitute engaging in this Commonwealth in any trade practice which is defined or determined to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance pursuant to the Act and violate 40 P.S. § 1171.4.
- (h) Respondent's violations of 40 P.S. §§ 310.11(20) and 1171.4 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 Respondents 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) Respondents shall pay a civil penalty of five thousand dollars (\$5,000.00) total 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 the Pennsylvania Insurance Department, 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 fourteen (14) days after the date of the Consent Order.
  
- (c) Respondents' 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 confirmed 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.
  
- (d) Respondents 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.

- (e) At the hearing referred to in paragraph 5(d) of this Order, Respondents shall have the burden of demonstrating that he is worthy of a license.
- (f) In the event Respondents' licenses are suspended pursuant to paragraph 5(c) 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.
- (g) At Respondents' own expense, Respondent must successfully complete a continuing education course on the topic of ethics and provide proof of the course completion to the Department within six (6) months.

6. In the event the Insurance Department find 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 provisions 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 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, 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.

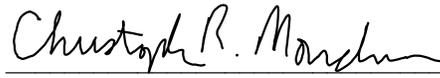
11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective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

BY: AARON TOD ALDER AND THE BAGNALL SHAW AGENCY  
LLC, Respondents



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AARON TOD ALDER, Respondent



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COMMONWEALTH OF PENNSYLVANIA

By: CHRISTOPHER R. MONAHAN

Deputy Insurance Commissioner