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By Admin Hearings, Ins Dept at 11:11 am, Aug 30, 2021

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
DAVID CHARLES HENNINGS	:	40 P.S. §§ 310.11(7), (20) and
311 Pleasant Knoll Ct.	:	1171.5(a)(12)
Newark, DE 19711	:	31 Pa. Code § 82.14
	:	
	:	
	:	
	:	
Respondent.	:	Docket No. CO21-08-004

CONSENT ORDER

AND NOW, this 30th day of August, 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.

3. Respondent neither admits nor denies the information contained in the Findings of Fact and the violations cited in the Conclusions of Law in this Consent Order.

FINDINGS OF FACT

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

- (a) Respondent is David Charles Hennings and maintains a record of his address with the Pennsylvania Insurance Department as 311 Pleasant Knoll Ct., Newark, DE 19711
- (b) Respondent is, and at all times relevant hereto has been, a licensed Non-Resident Producer.
- (c) Respondent, between October 13, 2011, and December 11, 2014, wrote Columbian life insurance policies for five (5) insureds.
- (d) Respondent, between September 13, 2015, and January 20, 2016, wrote 3 Oxford Life Insurance Company replacement life insurance policies and 2 Mutual of Omaha Insurance Company replacement life insurance policies for the insureds identified in finding 4(c).
- (e) Respondent answered "No" to the question on all five (5) of the insureds' applications identified in finding 4(d) with regard to whether this life insurance would be replacing any existing life insurance policies.

- (f) Respondent's failure to correctly answer the application replacement question identified in finding 4(e) resulted in the prior Columbian life insurance policies not being disclosed during the application process, therefore the proper life insurance replacement forms and customer declarations were not completed.

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) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 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.
- (c) Respondent's activities described in paragraphs 4(e) and 4(f) violate 40 P.S. § 310.11(7).
- (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 4(e) and 4(f) violate 40 P.S. § 310.11(20).
- (f) 40 P.S. § 1171.5(a)(12) prohibits agents from making false or fraudulent statements or representations on or relative to an application for an insurance policy.
- (g) Respondent's activities described in paragraphs 4(e) and 4(f) constitute making false or fraudulent statements or representations on or relative to an application for an insurance policy and violate 40 P.S. § 1171.5(a)(12).
- (h) 31 Pa. Code § 82.4(a)(2) requires an agent or broker who initiates the application to submit to the insurer to which an application for life insurance or annuity is presented, a signed statement as to whether the agent or broker knows replacement is or may be involved in the transaction.
- (i) Respondent's activities described in paragraphs 4(e) and 4(f) violate 31 Pa. Code § 82.4(a)(2).
- (j) Respondent's violations of 40 P.S. §§ 310.11(7), (20) and 1171.5(a)(12) 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

6. 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) All licenses of Respondent to do the business of insurance are hereby revoked.
- (c) If Respondent should ever become licensed in the future, his 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 issuance of such licenses.

- (d) 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.
- (e) At the hearing referred to in paragraph 6(d) of this Order, Respondent shall have the burden of demonstrating that he is worthy of a license.
- (f) In the event Respondent's 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 he is worthy of a license, Respondent's suspended licenses shall be revoked.
- (g) At Respondent's 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.

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 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.

8. 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.

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 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:



DAVID CHARLES HENNINGS, Respondent



COMMONWEALTH OF PENNSYLVANIA

By: CHRISTOPHER R. MONAHAN
Deputy Insurance Commissioner