SECENTED SANDE DEPARTMENT

BEFORE THE INSURANCE COMMISSIONER OF THE COMMONWEALTH OF PENNSYLVANIA

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ADMIN HEARINGS OFFICE

In Re:

JUNE SHEPULSKI ACE INSURANCE AGENCY 1902 Union Boulevard Allentown, PA 18103

Violations:

Sections 611-A(7), (20), and §310.41a of Act 147 of 2002 (40 P.S. §§310.11).

Respondents.

Docket No. CO06-11-002

CONSENT ORDER

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AND NOW, this 18 day of December 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.

- 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.
- Respondent hereby waives all rights to a formal administrative hearing in this 2. 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 and Conclusions of Law contained herein.

FINDINGS OF FACT

- 4. The Deputy Insurance Commissioner finds true and correct each of the following Findings of Fact:
 - (a) Respondent, June Shepulski maintains her address at 3420 Drighton Court, Bethlehem, PA 18020.
 - (b) At all relevant times herein, Respondent Shepulski has been a licensed Pennsylvania Individual Resident Producer, license number 368106 that expires on January 7, 2007.
 - (c) Respondent is the qualified active officer of Ace Insurance Agency ("ACE").
 - (d) Respondent ACE is located at 1902 Union Boulevard, Allentown, PA
 18103 and has been a licensed Pennsylvania Resident Producer Agency,
 license number 64641, with an expiration date of June 12, 2008.

- (e) Respondent Shepulski, by and through unlicensed individuals employed by Respondent ACE, submitted private passenger auto insurance applications in Pennsylvania to the Assigned Risk Plan.
- (f) In doing so, by and through unlicensed producers, Respondent Shepulski completed and forwarded applications on behalf of out-of-state consumers for Assigned Risk Plan coverage, falsely designating the applicants as residing in Pennsylvania.
- (g) Respondent Shepulski and ACE's employees have been indicted and arrested for insurance fraud, charging them with violations of 18 Purdons §\$4117, 4911 and 75 Purdons §7122.

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) Respondents are subject to the jurisdiction of the Pennsylvania Insurance Department.
 - (b) Respondents' activities, above, constitute violations of Pennsylvania
 Insurance laws, specifically:

- (i) Using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this Commonwealth or elsewhere. 40 P.S. §310.11(7).
- (ii) Demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure, 40 P.S. §310.11(20).
- (iii) Accepting applications or orders for insurance from any person or securing any insurance business that was sold, solicited or negotiated by any person acting without an insurance producer license. 40 P.S. §310.41(a).
- (c) Respondents' violations subject them to the following penalties under 40 P.S. §310.91:
 - (1) Denial, suspension, refusal to renew or revocation of Respondents' license.
 - (2) A civil penalty of up to \$5,000 per violation.
 - (3) A cease and desist order.
 - (4) 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) Respondents shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
 - (b) Respondents' licenses/certificates to conduct the business of insurance within the Commonwealth of Pennsylvania are hereby surrendered effective the date of this Order.
 - (c) Should Respondents ever become licensed in the future, Respondents' license(s) may be immediately suspended by the Department following its investigation and determination that (a) a penalty payment has not been made, and/or (b) any other terms of this Order have not been complied with, and/or (c) any complaint against Respondents is accurate and a statute or regulation has been violated. The Department's right to act under (c) above is limited to a period of five (5) years from the date of this Order.
 - (d) Respondents specifically waive 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



COMMONWEALTH OF PENNSYLVANIA INSURANCE DEPARTMENT ADMINISTRATIVE HEARINGS OFFICE

901 North Seventh Street Room 200 Harrisburg, PA 17102 Phone (717) 783-2126 Fax (717) 787-8781 Email Hearings@ins.state.pa.us

December 19, 2006

June Shepulski Ace Insurance Agency 1902 Union Boulevard Allentown PA 18103

RE: JUNE SHEPULSKI

CONSENT ORDER

Docket No. CO06-11-002

Dear Ms. Shepulski:

I am mailing this date a Consent Order executed by Randolph L. Rohrbaugh, Deputy Insurance Commissioner. As per Item 6(b) page five of the Consent Order, respondents shall surrender all licenses to do business.

Sincerely,

Christina M. Koles
Hearings Coordinator

cc: Sharon Fraser, Administrative Assistant Bureau of Enforcement

> Jim Krebs, Chief Bureau of Producer Services

Timothy Keating Deputy Chief Counsel the alleged violation of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or her duly authorized Deputy Insurance Commissioner. The penalties, if any, imposed by this Order are not effective until execution by the Insurance Commissioner or her duly authorized Deputy Insurance Commissioner.

June Shapulski, Individually and on Behalf of

Ace Insurance Agency

Respondents

Randolph Rohrbaugh

Deputy Insurance Commissioner Commonwealth of Pennsylvania