

RECEIVED
INSURANCE DEPARTMENT

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

2008 OCT -7 AM 11:21
ADMIN HEARINGS OFFICE

IN RE:	:	VIOLATIONS:
	:	
CHRISTINE M. OLIVER	:	Sections 611-A(4) and (20) of
704 North Irving Avenue	:	Act 147 of 2002 (40 P.S. §§ 310.11)
Scranton, Pennsylvania 18510	:	
	:	
Respondent	:	Docket No. CO08-07-035

CONSENT ORDER

AND NOW, this *7th* day of *October*, 2008, 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 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.

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. Respondent neither admits nor contests the findings herein.

FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following

Findings of Fact:

- (a) Respondent is Christine M. Oliver and maintains her address at 70 North Irving Avenue, Scranton, PA 18510.
- (b) Respondent at all times relevant to the Findings of Fact herein, was a licensed insurance producer.
- (c) Between 2002 and 2006, producer Respondent, whose married name was Christine M. Shean, misappropriated approximately \$549,067.00 in premiums from Murray Insurance Agency, Incorporated, who was also her employer.
- (d) Respondent maintained her last name Oliver with the Pennsylvania Insurance Department for business purposes.
- (e) The misappropriated money was paid by a policyholder from Cherry Hill, New Jersey, for errors and omissions coverage under a falsified policy that was created by Respondent.

- (f) The last falsified policy for the errors and omission coverage, dated effective April 30, 2006, was prepared by Respondent under Murray Insurance Agency's employment on declaration pages attributed to Discover Property & Casualty Insurance Company with policy #75W76U9823.
- (g) Murray Insurance Agency's audit during late 2006 discovered that between 2002 and 2006, Respondent wrote approximately 82 checks for a total of \$549,067.00 from Murray Insurance Agency's premium accounts to Travelers Insurance Company under the guise of remitting premiums.
- (h) Respondent deposited the checks to herself on a basis of one or more each month, then signed them over to herself and deposited them into her personal bank account.
- (i) Murray Insurance Agency and Respondent, and her spouse, subsequently entered into a Settlement Agreement and Release for the restitution of the premiums on October 15, 2006.
- (j) The Settlement Agreement and Release stipulated that Respondent make restitution at a rate of approximately \$1,259.00 each month for 20 years.

- (k) The Settlement Agreement and Release stated that restitution by Respondent could be made by her through payroll deductions while remaining under Murray Insurance Agency's employment but would continue should her employment with Murray Insurance Agency cease.
- (l) Respondent paid an initial restitution amount of approximately \$225,000.00 during October 2006, and relinquished stock at \$189,600.00 as restitution.
- (m) On December 19, 2007, Travelers Insurance Company, the parent company of Discover Property & Casualty Insurance Company, reported to Murray Insurance Agency that it has discovered the falsified policy during the discovery proceedings pertinent to the purchase of the policyholder by another company.
- (n) On March 12 and June 25, 2008, Murray Insurance Agency stated Respondent affirmed to him that she converted the misappropriated premiums to her own use, which predominantly included financial assistance to her mother for medical needs.

- (o) Murray Insurance Agency stated that approximately \$375,000.00 in claims were paid to the policyholder prior to the discovery of the misappropriation, adding that to date the total claims paid to the policyholder were approximately \$729,732.87.

- (p) Murray Insurance Agency affirmed that she had not reported Respondent's misappropriation to the Pennsylvania Insurance Department subsequent to the discovery or prior to March 12, 2008.

- (q) Respondent voluntarily surrendered her producer's license on March 14, 2008.

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) Section 611-A(4) of Act 147 of 2002 (40 P.S. § 310.11) prohibits a licensee from improperly withholding, misappropriating or converting money or property received in the course of doing business.

- (c) Respondent's activities described above in paragraphs 3(c) through 3(q) violate Section 611-A(4) of Act 147 of 2002.
- (d) Section 611-A(20) of Act 147 of 2002 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 (40 P.S. § 310.11).
- (e) Respondent's activities described above in paragraphs 3(c) and 3(q) violates Section 611-A(20) of Act 147 of 2002.
- (f) Respondent's violations of Sections 611-A(4) and (20) of Act 147 of 2002 are punishable by the following, under Section 691-A of Act 147 of 2002 (40 P.S. § 310.91):
- (i) suspension, revocation or refusal to issue the certificate of qualification or license;
 - (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for each 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) If Respondent should ever become licensed in the future, her certificates and 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 (ii) above is limited to a period of five (5) years from the date of issuance of such certificates and licenses.

- (c) Respondent specifically waives her 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.

(d) At the hearing referred to in paragraph (c) of this Order, Respondent shall have the burden of demonstrating that she is worthy of an insurance certificate and license.

(e) In the event Respondent's certificates and licenses are suspended pursuant to paragraph 5(b) above, and Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that she is worthy of a certificate and license, Respondent's suspended certificates and 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: Christine M. Oliver
CHRISTINE M. OLIVER, Respondent

Ronald A. Gallagher
COMMONWEALTH OF PENNSYLVANIA
By: RONALD A. GALLAGHER
Deputy Insurance Commissioner