

RECEIVED
INSURANCE DEPARTMENT

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BEFORE THE INSURANCE COMMISSIONER IN HEARINGS OFFICE
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
STRAND INSURANCE FINANCE	:	40 Purdon's Statutes, Sections
CO., INC.	:	3310(b)
22 Tennent Road	:	
Morganville, NJ 07751	:	
	:	
Respondent.	:	Docket No. CO04-03-010

CONSENT ORDER

AND NOW, this 8th day of April 2004, 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.

1. Respondent hereby admits and acknowledges that it has received proper notice of its rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S.A. §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. Without admitting the allegations of fact and conclusions of law contained herein, Respondent specifically denies that it violated any law or regulation of the Commonwealth.

FINDINGS OF FACT

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

- (a) Respondent is Strand Insurance Finance Co., Inc. and maintains its address at 22 Tennent Road, Morganville, New Jersey 07751.
- (b) Respondent at all relevant times herein, has been a licensed premium finance company.

- (c) On August 21, 2002, Respondent entered into a Consent Order, captioned as IN RE: Strand Insurance Finance Company, Docket No. CO02-04-049, relating to Strand's failure to provide adequate notice of intent to cancel auto policies (i.e., at least 15 days advance notice) to consumers for nonpayment of premium.
- (d) Subsequent to the August 21, 2002 Consent Order, the Insurance Department received information that Strand continued to provide inadequate notices of intent to cancel.
- (e) Specifically, in some instances, Strand's notices of intent to cancel provided 15 days from the date of mailing to the date of cancellation.
- (f) Strand's notices fail to comply with the August 21, 2002 Consent Order and applicable Pennsylvania law, which require that computation of the 15 day period not include the first and last date (i.e., the mailing date and the effective date of cancellation). For example, a notice of intent to cancel dated and mailed on January 1 must specify a cancellation date no earlier than January 17.

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) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 Purdon's Statutes, Section 3310(b), Insurance Premium Finance Companies, Written Notice, requires not less than 15 days written notice to be mailed to the insured of the intent to cancel the insurance unless the default is cured within such 15 day period.
- (c) Respondent's activities described above in paragraphs 4(d) through 4(f) constitute failing to provide insureds with required 15 days written notice of intent to cancel their insurance contracts.
- (d) Respondent's violation of 40 Purdon's Statutes, Sections 3310(b) is punishable by the following, under Section 3305: A civil penalty of not more than \$1,000 for each and every act in violation of this statute.

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) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.

(b) Respondent shall pay a civil penalty of \$35,000.00 to the Commonwealth of Pennsylvania. This penalty shall be made payable to the Commonwealth of Pennsylvania, and directed to Sharon L. Harbert, Administrative Assistant, Bureau of Enforcement, 1326 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment may be enclosed with the Consent Order, but must be paid in any event no later than thirty (30) days after the date of the Consent Order.

7. In the event the Deputy Insurance Commissioner 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.

8. Alternatively, in the event the Deputy Commissioner finds that there has been a breach of any of the provisions of this Order, the Deputy Commissioner 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 Deputy Insurance Commissioner. Only the Insurance Commissioner or the duly authorized Deputy Insurance Commissioner 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 Deputy Insurance Commissioner.

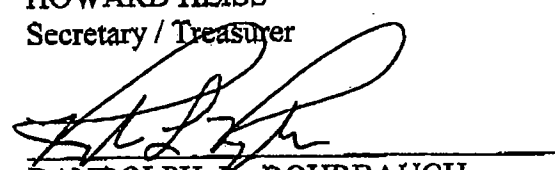
BY: STRAND INSURANCE FINANCE
CO. INC., Respondent



HOWARD HEISS
President / Vice President



HOWARD HEISS
Secretary / Treasurer



RANDOLPH L. ROHRBAUGH
Deputy Insurance Commissioner
Commonwealth of Pennsylvania