

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)
and Insurance, State of New Jersey, to fine) CONSENT
Ryan Patrick O'Connor, Reference No.) ORDER
1212462, and Prospect General Insurance)
Agency, Inc., Reference No. 1624204)

TO: Ryan Patrick O'Connor
888 Prospect Street, Suite 105
La Jolla, CA 92037-4268

Prospect General Insurance Agency, Inc.
7979 Ivanhoe Ave., Suite 555
La Jolla, CA 92037-4570

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Ryan Patrick O'Connor ("O'Connor"), currently licensed as a nonresident insurance producer, pursuant to N.J.S.A. 17:22A-34, and Prospect General Insurance Agency, Inc. ("Prospect"), currently licensed as a nonresident insurance producer, pursuant to N.J.S.A. 17:22A-34, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, O'Connor and Prospect (collectively "Respondents") are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq. (the "Producer Act") and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17B-1.1 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance laws, regulation, subpoena or order of the Commissioner or of another State's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(5), an insurance producer shall not intentionally misrepresent the terms of an actual or proposed insurance contract, policy or application for insurance; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(8), an insurance producer shall not use fraudulent, coercive, or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29, a person shall not sell, solicit, or negotiate insurance in this State unless the person is licensed for that line of authority in accordance with the Producer Act; and

WHEREAS, pursuant to N.J.A.C. 11:17B-3.1(b), any insurance producer charging a fee to an insured or prospective insured shall first obtain from the insured or prospective insured a written agreement, which shall be separate and apart from all other agreements and applications, and which shall contain specified provisions and no other provisions; and

WHEREAS, O'Connor and Prospect became licensed to sell surplus lines products in this State respectively, as of October 13, 2016 and November 2, 2016; and

WHEREAS, on October 6, 2016 Respondents bound one surplus lines insurance policy for insured EL prior to becoming licensed to sell surplus lines products, in violation of N.J.S.A. 17:22A-40a(2), (5) and (8) and N.J.S.A. 17:22A-29; and

WHEREAS, Respondents charged service fees to four New Jersey insureds for surplus lines coverage without obtaining a separate written fee agreement, in violation of N.J.S.A. 17:22A-40a(2) and (8) and N.J.A.C. 11:17B-3.1(b); and

WHEREAS, Respondents:

- 1) Have admitted responsibility for the aforementioned violations; and
- 2) Have cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"); and
- 3) Have asserted that the violations cited in this Consent Order were not willful; and
- 4) Have refunded all service fees that were improperly charged; and

WHEREAS, cause does exist under N.J.S.A. 17:22A-40a and N.J.S.A. 17:22A-45c to impose a fine; and

WHEREAS, Respondents have waived their rights to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of \$3,000.00; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing;

NOW, THEREFORE, IT IS on this 14th day of FEBRUARY, 2018

ORDERED AND AGREED, that the Respondents shall pay a fine in the amount of \$3,000.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," which shall be paid upon execution of this Consent Order by Respondents; and

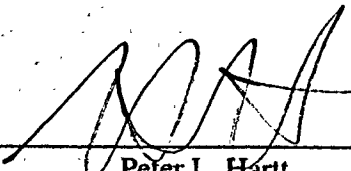
IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the fine payment of \$3,000.00, shall be remitted to:

New Jersey Department of Banking and Insurance
Attention: Virgil Downtin, Chief of Investigations
20 West State Street
9th Floor, Consumer Protection Services, Enforcement
P O Box 329
Trenton, New Jersey 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED that the Respondents shall cease and desist from engaging in the conduct that gave rise to this Consent Order.


Peter L. Hartt
Director of Insurance

Consented to as to
Form, Content and Entry

Prospect General Insurance Agency, Inc.

By: 

Ryan Patrick O'Connor/ as the Designated
Responsible Licensed Producer for Prospect
General Insurance Agency, Inc.


Ryan Patrick O'Connor/Individually

Date: 2/5/18

See Attached Notary
Acknowledgment Certificate

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Diego)

On FEB 5th, 2018 before me, F. RUIZ, Notary Public
(here insert name and title of the officer)

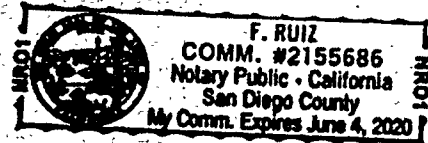
personally appeared Ryan Patrick O'Connor

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of State of New Jersey
Dept. of Banking & Insurance, Division of Insurance
containing _____ pages, and dated _____

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-Fact
- Corporate Officer(s)

Title(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: _____

representing: _____

Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

Additional Signer(s) Signer(s) Thumbprint(s)