

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
Mercury Indemnity Company of America,	)	ORDER
NAIC No. 11201	)	

TO: Mercury Indemnity Company of America  
1901 Ulmerton Road  
Clearwater, FL 33762-2307

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Mercury Indemnity Company of America (“Mercury”), licensed under the laws of the State of New Jersey and admitted to transact property and casualty insurance in New Jersey pursuant to N.J.S.A. 17:32-1, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, N.J.S.A. 17:22A-41(a) provides that an insurer or insurance producer shall not pay a commission, service fee, brokerage or other valuable consideration to a person for selling, soliciting or negotiating insurance in this State if that person is required to be licensed under N.J.S.A. 17:22A-26 to 48 and is not so licensed; and

WHEREAS, Mercury has admitted to conducting insurance business with Joseph J. Gallagher Insurance Agency, Inc. (“JJGIA”) and paying commissions to JJGIA for insurance policies placed with Mercury for New Jersey residents between June 1, 2012 and May 31, 2016; and

WHEREAS, JJGIA was not licensed to conduct insurance business in New Jersey between June 1, 2012 and May 31, 2016; and

WHEREAS, Mercury has addressed the problem by initiating administrative protocols for validating the licensee status of agencies conducting business with Mercury; and

WHEREAS, Mercury desires to settle this matter without resort to a formal hearing and consents to the payment of a fine as set forth below; and

NOW, THEREFORE, IT IS on this 16<sup>th</sup> day of APRIL, 2018

ORDERED AND AGREED, that Mercury shall pay a fine in the amount of twenty five thousand (\$25,000.00) 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 Mercury; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the payment of \$25,000.00 shall be remitted to:

New Jersey Department of Banking and Insurance  
ATTN: Virgil Downtin, Chief of Investigations  
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 Mercury shall cease and desist from  
engaging in the conduct that gave rise to this Consent Order.

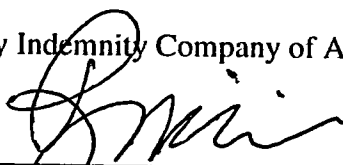


Peter L. Hartt  
Director of Insurance

Consented to as to  
Form, Content and Entry

Mercury Indemnity Company of America

By:



Brandt N. Minnich, Vice President & Chief Marketing Officer

Date:

4/9/2018