

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
Franklin Mutual Insurance Company,) ORDER
NAIC No. 16454)

TO: Gary J. Capone
Vice President Field Services
Franklin Mutual Insurance Company
PO Box 400
5 Broad Street
Branchville, NJ 07826

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Franklin Mutual Insurance Company ("Franklin Mutual") authorized to transact property and casualty insurance in New Jersey pursuant to N.J.S.A. 17:17-10, 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 the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 and is not so licensed; and

WHEREAS, Franklin Mutual has admitted to conducting insurance business with Insurance Management Group ("IMG") and unknowingly paying commissions to IMG for

insurance policies placed with Franklin Mutual for New Jersey residents between June 1, 2014 and May 31, 2016; and

WHEREAS, IMG was not licensed as an insurance producer in New Jersey between June 1, 2014 and May 31, 2016; and

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

WHEREAS, Franklin Mutual;

- 1) Has admitted responsibility for the aforementioned violation; and
- 2) Has cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"); and
- 3) Has asserted that the violation cited in this Consent Order was not knowing or willful; 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, Franklin Mutual has waived its right to a hearing and consented to the payment of a fine in the amount of twenty five thousand dollars (\$25,000.00); 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 13th day of July, 2018

ORDERED AND AGREED, that Franklin Mutual shall pay a fine in the amount of \$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 Franklin Mutual; and

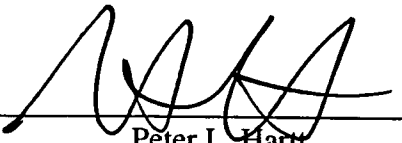
IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the payment of \$25,000.00 shall be remitted to:

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

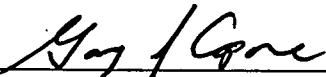
IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

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



Peter L. Hart
Director of Insurance

Consented to as to
Form, Content and Entry

Franklin Mutual Insurance Company

By: 
Gary J. Capone-Vice President Field Services

Date: 7/9/18


NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 02/28/2021