

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,)
suspend, and/or revoke the)
insurance producer license of)
James D. Griffin, Reference No.)
8047866)

ORDER TO SHOW CAUSE

TO: James D. Griffin
404 Ingram Road
Fairless Hills, PA
19030

THIS MATTER, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that James D. Griffin ("Griffin" or "Respondent") may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was licensed as a nonresident insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-34, until his license expired on September 30, 2014; and

WHEREAS, Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq. ("Producer Act"); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40d, the Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Producer Act or Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes against any person who is under investigation for or charged with a violation of the Producer Act or Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes, even if the person's license or registration has been surrendered or has lapsed by operation of law; 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(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.A.C. 11:17C-2.2(a), all premium funds shall be remitted to the insurer or other insurance producer, as applicable, within five business days after receipt of the funds; and

COUNT 1

IT APPEARING, that from October 13, 2012 through October 13, 2013, New Jersey consumer "JM" held a commercial liability insurance policy with Colony Insurance Company ("Colony"); and

IT FURTHER APPEARING, Respondent, on behalf of insurance brokerage Excel Insurance Services ("Excel"), sold JM the Colony commercial liability policy; and

IT FURTHER APPEARING, that on or about September 16, 2013, Excel provided to Respondent an insurance renewal quote for JM's Colony commercial policy; and

IT FURTHER APPEARING, that the insurance premium quote for the renewal totaled \$940.00 for one year of coverage; and

IT FURTHER APPEARING, that JM's policy was in force at the time of the renewal quote and was scheduled to expire on October 13, 2013; and

IT FURTHER APPEARING, that Respondent communicated with JM regarding the policy renewal and impending policy expiration; and

IT FURTHER APPEARING, that on October 13, 2013, JM's insurance policy with Colony lapsed for non-payment; and

IT FURTHER APPEARING, that on October 16, 2013, Respondent provided JM with an invoice for the renewal policy with effective dates of coverage of October 13, 2013 through October 13, 2014; and

IT FURTHER APPEARING, that on December 5, 2013 JM's bank account was debited for \$940.00 payable to Respondent; and

IT FURTHER APPEARING, that in or around March of 2014, JM contacted Excel inquiring about the status of his commercial liability insurance policy; and

IT FURTHER APPEARING, that in or around March of 2014, Excel stated to JM that Colony did not have an insurance policy in-force with JM at that time because Excel did not receive a request to bind the policy and did not receive a renewal premium; and

IT FURTHER APPEARING, that in or around March of 2014, JM demanded Respondent return to him the \$940.00 insurance premium; and

IT FURTHER APPEARING, that on or about March 24, 2014, Respondent returned JM's \$940.00 insurance premium by means of a check from Respondent's trust account; and

IT FURTHER APPEARING, that this instance where Respondent failed to remit JM's insurance premium to the insurer within five business days after receipt of the funds constitutes violations of N.J.S.A. 17:22A-40a(2) and (8), and N.J.A.C. 11:17C-2.2(a); and

NOW, THEREFORE, IT IS on this 10th day of March,
2017

ORDERED, that Respondent shall appear and show cause why his insurance producer license shall not be revoked by the Commissioner, pursuant to the provisions of N.J.S.A. 17:22A-40a; and

IT IS FURTHER ORDERED, that Respondent shall appear and show cause why the Commissioner should not assess fines up to \$5,000.00 for the first violation and not exceeding \$10,000.00 for each subsequent violation, pursuant to the provisions of N.J.S.A. 17:22A-45c, due to Respondent's failure to comply with New Jersey's insurance laws and regulations; and


IT IS FURTHER ORDERED, that Respondent shall appear and show cause why he should not be subject to restitution to his victim and reimbursement of the costs of investigation and prosecution by the Department of Banking and Insurance, pursuant to N.J.S.A. 17:22A-45c; and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at his own expense, to take testimony, to call or cross-examine witnesses, to have subpoena and subpoena duces tecum issued and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED that unless a request for a hearing is received within twenty days of the service of this Order to Show Cause, the right to a hearing in this matter shall be

deemed to have been waived by the Respondent and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, New Jersey Department of Banking and Insurance, P.O. Box 329, Trenton, N.J. 08625 or by faxing the request to the Department at (609) 292-5337. The request shall contain:

- (A) The licensee's name, address, and daytime telephone number;
- (B) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- (C) A specific admission or denial of each fact alleged in this Order to Show Cause. Where the Respondent had no specific knowledge regarding a fact alleged in this Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- (D) A statement requesting a hearing.


Peter D. Hartt
Director of Insurance