

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)	ORDER
and Insurance, State of New Jersey, to fine, suspend)	TO
and/or revoke the insurance producer license of)	SHOW CAUSE
Myrna Daugherty, Ref. No. 1019798)	
)	

TO: Myrna Daugherty
243 Sweetmans Lane
Millstone Twp., New Jersey 08535

This matter, having been opened to the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Myrna Daugherty (“Daugherty”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Daugherty currently is licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40d and N.J.A.C. 11:17-2.14(c), allowing a license to expire shall not void any disciplinary proceeding against the licensee, nor prevent imposition of any penalty, ordered restitution, or costs; 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 this act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance law, regulation, subpoena or order of the commissioner; 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; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45a, the commissioner shall have the power to conduct investigations, to administer oaths, to interrogate licensees and others, and to issue subpoenas to any licensee or any other person in connection with any investigation, hearing or other proceeding pursuant to this act, without fee; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.8, an insurance producer shall reply, in writing, to any inquiry of the New Jersey Department of Banking and Insurance (“Department”) relative to the business of insurance within the time requested in said inquiry, or no later than 15 calendar days from the date the inquiry was made or mailed in cases where no response time is given; and

COUNT 1

IT APPEARING, that, on August 27, 2012, as an agent of United Healthcare Insurance Company (“United Healthcare”), Daugherty, solicited and submitted an enrollment application on behalf of a New Jersey resident, RC, for the sale of a United Healthcare Prescription Plan, when she was not licensed as an insurance producer; and

IT FURTHER APPEARING, that Daugherty’s insurance producer license had expired on July 31, 2012; and

IT FURTHER APPEARING, that Daugherty's insurance producer license was inactive from August 1, 2012 through January 22, 2013, when the solicitation and submission of the enrollment application for RC occurred; and

IT FURTHER APPEARING that the actions and conduct on the part of Daugherty, as set forth above, violates N.J.S.A. 17:22A-40a(2) and (8); N.J.S.A. 17:22A-29; and

COUNT 2

IT FURTHER APPEARING, that Daugherty failed to respond to the Department's inquiries of March 6, 2013 and September 19, 2013; and

IT FURTHER APPEARING, that on March 6, 2013, the Department sent a letter via certified and regular mail to Daugherty requesting her to provide a complete file on this matter and her written statement of facts, along with the supporting documents by March 16, 2013 for review by the Department; and

IT FURTHER APPEARING, that on September 19, 2013, Chief of Investigations, Virgil Downtin of the Department called Daugherty on the telephone number listed on her SBS License Panel with the Department and at that time a woman identifying herself as Daugherty's sister answered the telephone, stating that Daugherty was out of town, and would return her call; and

IT FURTHER APPEARING, that Daugherty has failed to respond to the Department's inquiries and that the actions and conduct on the part of Daugherty, as set forth above, violates N.J.S.A. 17:22A-40a(2) and (8); and N.J.A.C. 11:17A-4.8; and

NOW, THEREFORE, IT IS on this 12th day of June, 2014;

ORDERED, that Myrna Daugherty appear and show cause why her resident New Jersey insurance producer license should not be suspended or revoked and/or why she should not be subject to civil penalty by the Commissioner pursuant to N.J.S.A. 17:22A-40; and

IT IS FURTHER ORDERED, that Myrna Daugherty appear and show cause why the Commissioner should not assess a fine of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation, pursuant to the provisions of N.J.S.A. 17:22A-40 and N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED that Myrna Daugherty appear and show cause why, in addition to any other penalty, she should not be required to reimburse the Department for the cost of the investigation and prosecution authorized pursuant to N.J.S.A. 17:22A-45c; and

IT IS PROVIDED, that Myrna Daugherty has the right to request an administrative hearing, to be represented by counsel or other qualified representative at her own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas 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 (20) 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 licensee, 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, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625, or by faxing the

hearing request to the Department at (609) 292-5337. The request shall contain the following:

- (a) Respondent's full 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 has no specific knowledge regarding a fact alleged in the 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 the hearing.



Peter L. Hart
Acting Director of Insurance