

DEPARTMENT OF INSURANCE

STATE OF WYOMING

WYOMING INSURANCE DEPARTMENT,)
)
 Petitioner,)
)
 vs.) Docket No. 08-16
)
 PHILIP J. TIMOTHY,)
)
 Respondent.)

PETITION FOR NOTICE AND ORDER TO SHOW CAUSE

COMES NOW the Wyoming Department of Insurance, acting by and through Stephanie Bryant McGee, Deputy Commissioner, and pursuant to Wyo. Stat. §§ 26-1-103, 26-2-109 and 26-2-111, and Chapter 32 § 4 of the Wyoming Insurance Department Regulations and Rules for Practice and Procedure Before the Department; and the Wyoming Administrative Procedure Act, Wyo. Stat. § 16-3-101 *et seq.*, herewith moves the Wyoming Insurance Commissioner for the issuance of a Notice and Order to Show Cause directed to Philip J. Timothy, whose last reported address was 732 South 500 West, Vernal, Utah 84078. As cause for this Petition, the Wyoming Insurance Department states and alleges as follows:

1. The Wyoming Insurance Commissioner has jurisdiction over this matter pursuant to Wyo. Stat. §§ 26-1-103, 26-1-108, 26-9-208 and 26-9-211.
2. Respondent is licensed by the Wyoming Department of Insurance as a nonresident producer, License No. 45711 issued December 10, 2001, with a renewal date of June 30, 2009. The Respondent's Individual ID is 22458 and his National Producer ID is 1034865.
3. The business records of the Department of Insurance show Respondent Philip J. Timothy is currently affiliated with 18 insurers.
4. On or about June 30, 2008, Appointment Termination Forms were received from Kaplan Financial on behalf of Safeco Insurance Company of America, American States Insurance Company, American States Preferred Insurance Company, First National Insurance Company of America, and American Economy Insurance Company, all requesting termination of their company appointments of Service Insurance Agency, Inc. "For Cause."
5. Petitioner investigated the reason of the terminations for cause and was provided a copy of a June 16, 2008, letter from Safeco Property & Casualty Insurance Companies to Philip J. Timothy notifying him of the termination of his Safeco agreements. Attachment A to the letter

FILED
WYOMING INSURANCE DEPARTMENT
DATE <i>October 27, 2008</i>
BY <i>Deborah Wilkins</i>

states the reason was for "Gross and willful misconduct." Wyoming Insurance Department records show that Respondent Philip J. Timothy is the only producer affiliated with the producer firm Service Insurance Agency, Inc. in Wyoming.

6. Further investigation by Petitioner revealed that Respondent Philip J. Timothy pled guilty to and was convicted in the Third Judicial District Court – Salt Lake Department, Salt Lake County, State of Utah, Case No. 081900463 on 15 second degree felony counts, including violation of the False or Fraudulent Insurance Act, forgery, unlawful dealing of property by a fiduciary, theft by deception, conspiracy and obstruction of justice in a criminal investigation or proceeding. Copies of the relevant court documents are on file with the Department.

7. Further investigation by Petitioner also revealed that the Utah Department of Insurance revoked the insurance license of Respondent on September 22, 2008. A copy of the order issued by the Utah Insurance Commissioner is also on file with the Department.

8. Pursuant to Wyo. Stat. § 26-9-208(a)(i), a condition for nonresident licensing in Wyoming is that the person is currently licensed as a resident and is in good standing in his home state. Respondent's home state is Utah.

9. Wyoming Statute § 26-9-211 states in relevant part as follows:

(a) The commissioner may, after appropriate notice and opportunity for hearing . . . place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or other license issued under this code, or may levy a civil penalty in accordance with W.S. 26-1-107 or any combination of actions, for any one (1) or more of the following causes:

. . . .

(ii) Violating any insurance laws, or violating any regulation, subpoena or order of the commissioner or of another state's insurance commissioner;

. . . .

(iv) Improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business;

. . . .

(vi) Having been convicted of a felony;

(vii) Having admitted or been found to have committed any insurance unfair trade practice or fraud;

(viii) Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

(ix) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory;

(x) Forging another's name to an application for insurance or to any document related to an insurance transaction;

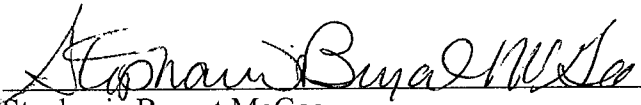
. . . .

WHEREFORE the Department of Insurance respectfully requests the Wyoming Insurance Commissioner to:

A. Revoke the Respondent's nonresident producer license for violation of Wyo. Stat. §§ 26-9-208 and 26-9-211.

B. To enter such other and further relief as may be permitted by law.

Dated this 21 day of October, 2008.


Stephanie Bryant McGee
Deputy Commissioner
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