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FILED
FEB 03 2020
Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

IDAHO DEPARTMENT OF INSURANCE,

Complainant,

vs.

JENNIFER ANN REILLY, an individual
holding Nonresident Surplus Lines Broker
License No. 737174 and Nonresident
Producer License No. 737172,

Respondent.

Docket No. 18-3744-19

ORDER OF DEFAULT

The Director of the Idaho Department of Insurance (“Director”) having reviewed the record herein; and JENNIFER ANN REILLY (“Respondent”), who currently holds Idaho Nonresident Surplus Lines Broker License No. 737174 and Idaho Nonresident Producer License No. 737172, having been lawfully served the Amended Verified Complaint and Notice of Right to Hearing, a copy of which is attached hereto as Exhibit A and incorporated herein, and having failed to file an answer thereto and having failed to request a hearing regarding said Amended Verified Complaint;

and the Director having found as a result thereof that Respondent has waived her rights regarding the opportunity for hearing; and in consideration of the above;

IT IS HEREBY ORDERED that Idaho Nonresident Surplus Lines Broker License No. 737174 issued to Respondent is REVOKED effective immediately.

IT IS HEREBY FURTHER ORDERED that Idaho Nonresident Producer License No. 737172 issued to Respondent is REVOKED effective immediately.

IT IS HEREBY FURTHER ORDERED, pursuant to Idaho Code § 41-1027(2), that Respondent shall immediately return Idaho Nonresident Surplus Lines Broker License No. 737174 and Idaho Nonresident Producer License No. 737172 to the Idaho Department of Insurance, P.O. Box 83720, Boise, Idaho 83720-0043.

IT IS SO ORDERED.

DATED this 3rd day of February, 2020.

STATE OF IDAHO
DEPARTMENT OF INSURANCE


DEAN L. CAMERON
Director

NOTIFICATION OF RIGHTS

This is a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the motion for reconsideration within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law. See Idaho Code § 67-5246(4).

Any such motion for reconsideration shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may file a petition for judicial review in the district court of the county in which:

- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or
- iv. The real property or personal property that was the subject of the agency action is located.

A petition for judicial review must be filed within twenty-eight (28) days of: (a) the service date of this final order, (b) the service of an order denying motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a motion for reconsideration, whichever is later. See Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal. Idaho Code § 67-5274.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3rd day of February, 2020, I caused a true and correct copy of the foregoing ORDER OF DEFAULT to be served upon the following by the designated means:

Jennifer Ann Reilly
First Flight Insurance
4112 N. Croatan Hwy
Kitty Hawk, NC 27949-6075

- first class mail
- certified mail
- hand delivery
- email

Jennifer Ann Reilly
110 Duck Woods Drive
Southern Shores, NC 27949-3605

- first class mail
- certified mail
- hand delivery
- email

Edith L. Pacillo
Lead Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

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Pamela Murray

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State of Idaho

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BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

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IDAHO DEPARTMENT OF INSURANCE,

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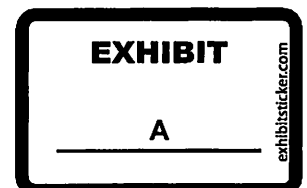
Respondent.

Docket No. 18-3744-19

**AMENDED VERIFIED COMPLAINT
AND NOTICE OF RIGHT TO
HEARING**

COMES NOW the staff of the Idaho Department of Insurance (the "Department"), by and through its undersigned counsel, and does hereby give notice of verified allegations constituting violation(s) of Idaho law, notice that relief will be requested from the Director of the Department, and a notice of the right to contest the allegations and requested relief herein and right to hearing to:

JENNIFER ANN REILLY
Nonresident Surplus Lines Broker License No. 737174
Nonresident Producer License No. 737172



The Department alleges the following facts and violations of title 41, Idaho Code, as itemized below. The Department will present an order seeking the relief described below upon twenty-one (21) days following service of this Amended Verified Complaint, and, JENNIFER ANN REILLY, you are further notified of your right to object to the requested relief, including the basis for any objection, and to request a hearing in writing.

ALLEGATIONS

The allegations and violations supporting the requested relief are:

1. Idaho Code § 41-210 empowers the Director of the Idaho Department of Insurance (“Director”) to enforce the provisions of title 41, Idaho Code. As such, the Director has jurisdiction over this matter.

2. JENNIFER ANN REILLY (“RESPONDENT”) is duly authorized by the State of Idaho as a nonresident surplus lines broker and as a nonresident insurance producer. RESPONDENT is therefore subject to title 41, Idaho Code, and to the rules of the Department.

3. RESPONDENT was granted Nonresident Surplus Lines Broker License No. 737174 (“Surplus Lines License”) on August 23, 2019, pursuant to title 41, chapter 12, Idaho Code.

4. RESPONDENT was granted Nonresident Insurance Producer License No. 737172 (“Nonresident Producer License”) on August 23, 2019, pursuant to title 41, chapter 10, Idaho Code.

5. “Surplus Line Coverage” is defined as certain insurance products that cannot otherwise be procured from insurers authorized to do business within Idaho, which consequently are allowed to be procured from unauthorized insurers subject to certain conditions delineated in Idaho Code § 41-1214.

6. Only surplus lines brokers licensed by the State of Idaho and who are members of the Surplus Lines Association of Idaho (the “Association”) may procure surplus line coverage for Idaho residents. Idaho Code § 41-1214(1); IDAPA Rule 18.06.06.005. Membership in the Association is a condition of maintaining a surplus lines broker license in Idaho.

7. Shortly after RESPONDENT was granted her Surplus Broker License, the Association notified RESPONDENT via email on four separate occasions between August and September 2019 regarding RESPONDENT’s obligation to join the Association. The Association also attempted to reach RESPONDENT by telephone on or about September 25, 2019, and left a voicemail. The Association received no response from RESPONDENT.

8. On September 26, 2019, the Department sent RESPONDENT a letter via US Mail and via email, reminding RESPONDENT of her obligation to join the Association and warning her that failure to join the Association could result in revocation of all of RESPONDENT’s Idaho licenses.

9. To date, RESPONDENT has not registered or filed any submissions with the Association.

FIRST CAUSE OF ACTION
Failure to Register with the Approved Association

10. All of the foregoing allegations are incorporated herein as if set forth in full.

11. Pursuant to Idaho Code § 41-1214(1), surplus lines of insurance coverage “must be procured through a licensed surplus lines broker who is a member of a surplus line association approved by the director.” *See also* IDAPA 18.06.06.005.

12. RESPONDENT’s failure to register with the Association as a nonresident surplus lines broker while obtaining and maintaining a surplus lines broker license constitutes attempting to transact and/or transacting surplus lines insurance business in violation of title 41, chapter 12,

Idaho Code.

13. Pursuant to Idaho Code § 41-1016(1)(b), as incorporated by § 41-1224(1)(d), the Director may suspend or revoke a surplus lines broker's license where the licensee has violated any provision of title 41, Idaho Code, or Department rule.

14. Pursuant to Idaho Code § 41-1224(4), a surplus lines broker whose license has been suspended or revoked shall not again be licensed until any fines or delinquent taxes owed are paid and, in the case of revocation, not until after the expiration of one (1) year from the date of final revocation.

15. The Department seeks revocation of RESPONDENT's Surplus Broker License and an order prohibiting RESPONDENT from being issued another such license until at least one (1) year from the date of the final revocation or until such time as RESPONDENT would again be eligible for a surplus lines broker license in accordance with Idaho Code § 41-1224(4).

SECOND CAUSE OF ACTION
Simultaneous Revocation of Nonresident Producer License

16. All foregoing allegations are incorporated herein as if set forth in full.

17. RESPONDENT holds a nonresident producer license issued by the State of Idaho.

18. Pursuant to Idaho Code § 41-1224(3), suspension or revocation of RESPONDENT's Surplus Broker License shall automatically suspend or revoke all other licenses held by RESPONDENT under title 41, Idaho Code, including RESPONDENT's nonresident producer license.

19. Pursuant to Idaho Code § 41-1224(4), reinstatement of a suspended or revoked surplus lines broker license cannot occur until any fines or delinquent taxes owed are paid and, in the case of revocation, not until after the expiration of one (1) year from the date of final revocation.

20. Therefore, the Department also seeks revocation of RESPONDENT's Nonresident

Producer License for a minimum of one (1) year from the date of final revocation or until such time as RESPONDENT would again be eligible for a surplus lines broker license in accordance with Idaho Code § 41-1224(4).

REQUEST FOR RELIEF

Based upon the foregoing facts and allegations, the Department prays for an order from the Director providing relief as follows:

1. Immediate revocation of RESPONDENT's Idaho Surplus Lines Broker License No. 737174; and
2. Immediate revocation of RESPONDENT's Idaho Nonresident Insurance Producer License No. 737172.

NOTICE OF RIGHT TO OBJECT AND TO REQUEST A HEARING

Based on violations as alleged above, JENNIFER ANN REILLY, you have the right to a hearing in accordance with Idaho Code § 41-232A(2). In order to effectively object to this notice and prevent an order for the requested relief from being entered, you must, within twenty-one (21) days of the date of issuance of this Amended Verified Complaint, submit a written request for hearing to the Director of the Idaho Department of Insurance, responding to the alleged violations pending against you. You must deliver any written request for hearing by mailing it to the Director, Idaho Department of Insurance, P.O. Box 83720, Boise, Idaho 83720-0043, or personally delivering said written request to the offices of the Department of Insurance at 700 W. State Street, Third Floor, Boise, Idaho, and also providing a copy to the undersigned at the same address.

If you fail to submit a timely written response to the allegations and request for hearing, a final order will be entered imposing the relief described above after twenty-one (21) days from the issuance of this Amended Verified Complaint.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have, on this 10th day of January, 2020, caused a true and correct copy of the foregoing AMENDED VERIFIED COMPLAINT AND NOTICE OF RIGHT TO HEARING to be served upon the following by the designated means:

Jennifer Ann Reilly
First Flight Insurance
4112 N. Croatan Hwy
Kitty Hawk, NC 27949-6075

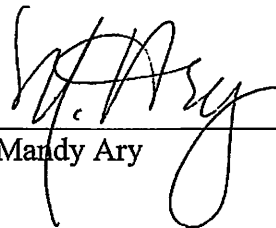
- first class mail
- certified mail
- hand delivery
- email

Jennifer Ann Reilly
First Flight Insurance
P.O. Box 1048
Kitty Hawk, NC 27949-1048

- first class mail
- certified mail
- hand delivery
- email

Jennifer Ann Reilly
110 Duck Woods Drive
Southern Shores, NC 27949-3605

- first class mail
- certified mail
- hand delivery
- email



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