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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:	:	
	:	
UTAH INSURANCE DEPARTMENT	:	EMERGENCY PROCEEDING CEASE AND DEIST ORDER
	:	
	:	
RESPONDENTS:	:	Docket No. 2010-087 LC
	:	
EQUUS FIDELITY CORPORATION	:	Enf. Case No. <u>2684</u>
Unlicensed	:	
280 Madison Ave, Suite 912	:	
New York, NY 10016	:	
	:	
P.O. Box 16734	:	
Jonesboro, AR 72403	:	
	:	
AARON DAVIS	:	
Unlicensed	:	
280 Madison Ave., Suite 912	:	
New York, NY 10016	:	
	:	
JOHN SAWYER	:	
Unlicensed	:	
3434 One Place	:	
Jonesboro, AR 72401	:	
	:	
2406 Ridgepoint Blvd.	:	
Jonesboro, AR 72404	:	

JURISDICTION

Neal T. Gooch is the Insurance Commissioner of the State of Utah and is charged with the duty of administering and enforcing all provisions of the Utah Insurance Code, pursuant to Utah Code Annotated, §§ 31A-2-201 and 31A-1-105(2). Pursuant to Utah Code Ann. § 63G-4-502 and Utah Admin. Code Rule R590-160, the Commissioner hereby institutes this Emergency Proceeding.

Based upon information in the files of the Insurance Department the Commissioner enters the following:

FINDINGS OF FACT

1. Respondent, Equus Fidelity Corporation (“Equus”), is an entity with addresses in the State of New York and in the State of Arkansas, but is not incorporated nor registered in either state.
2. Respondent Equus is not authorized to do business in the State of Utah nor in any other state or jurisdiction in the United States.
3. Respondent Aaron Davis is an individual residing in the State of New York and Operation Manager for Respondent Equus.
4. Respondent John Sawyer is a resident of the State of Arkansas and is the registered owner of the Internet sites of Respondent Equus and personally pays for the cost of placing those sites on the Internet and is the applicant for the post office box for Respondent Equus in Jonesboro, Arkansas.
5. Respondent Equus claims to be licensed to provide transportation insurance by the government of the Republic of Nauru, and claims that it is not governed by state insurance laws

of the United States of America.

6. Beginning in at least June 2009, Respondents solicited the placement of “contingent auto liability insurance” in the State of Utah through its Internet sites and by email sent directly to a resident of the State of Utah.

7. On or about March 19, 2010 Respondents accepted a check from a resident of the State of Utah as payment for issuing a “contingent auto liability” policy and issued a certificate of liability insurance to a resident of the State of Utah.

Based upon the forgoing Findings of Fact, the presiding officer now enters the following:

CONCLUSIONS OF LAW

1. Marketing and issuing policies and certificates of liability insurance constitute doing the business of insurance as defined in Utah Code Annotated § 31A-1-301(85).

2. Pursuant to Utah Code Annotated § 31A-1-104, a person may not engage in the business of insurance in the State of Utah without complying with the Utah Insurance Code.

3. Pursuant to Utah Code Annotated § 31A-4-102, a person may not conduct an insurance business in Utah through an agent or broker, through the mail, or through another method of communication unless that person is an insurer authorized to do business in the State of Utah.

4. Pursuant to Utah Code Annotated § 31A-1-105, any person doing or purporting to do an insurance business in the State of Utah is subject to the Utah Insurance Code and the jurisdiction of the commissioner and the courts of this state.

5. Pursuant to Utah Code Annotated § 31A-15-102, no person may do any of the following acts that may assist in the placement of unauthorized insurance: solicit, make, propose

to make an insurance contract; receive, forward an application for insurance; collect or receive in full or part any insurance premium; issue or deliver any insurance policy or other evidence of insurance; solicit negotiate advertise or disseminate information for insurance; or represent or assist any person to do an unauthorized insurance business.

6. Respondents are each subject to the insurance laws of the State of Utah and to the jurisdiction of the commissioner and of the courts of the State of Utah.

7. In advertising, soliciting, placing, receiving premiums, and issuing evidences of insurance, and in doing an unauthorized insurance business, Respondents have violated Utah Code Annotated §§ 31A-1-104, 31A-1-102, and 31A-15-102.

7. Respondent's actions constitute an immediate and significant danger to the welfare of the citizens of the State of Utah, justifying the issuance of an emergency proceeding under Utah Code Annotated § 63G-4-502.

Having entered his Findings of Fact and Conclusions of Law, the presiding officer now enters the following:

ORDER

IT IS HEREBY ORDERED:

1. Respondents, and any of their employees, agents, or designees, shall immediately cease doing any and all insurance business in the State of Utah, including but not limited to, soliciting the sale of any insurance, taking any applications for insurance, placing or delivering any insurance policies, creating or delivering any evidence of insurance, advertising or promoting the sale or placement of any insurance, collecting any insurance premium, or in any other way doing the business of insurance in the State of Utah.

NOTIFICATION

Respondents is hereby notified that failure to abide by the terms of this Order may subject them to further penalties, including additional forfeitures of up to \$5,000.00 per violation, and the filing of an action to enforce this Order in the District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that pursuant to Utah Code Annotated § 31A-15-105, an insurance contract entered into in violation of the prohibition against unauthorized insurance is unenforceable by, but enforceable against the insurer.

Further, any person who assisted in the placement of unauthorized insurance who knew or should have known the transaction was illegal is liable to the insured for the full amount of a claim or loss payable under the contract if the insurer does not pay it.

You are also hereby notified that any person or entity who knows or should know that the person's or entity's actions assist in the illegal placement of insurance in the State of Utah is guilty of a third degree felony.

DATED this 22nd day of June, 2010.

NEAL T. GOOCH
INSURANCE COMMISSIONER



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Administrative Law Judge
Utah Insurance Department
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