

STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION

IN RE:

CHRISTOPHER WOCELL

18-13 -I

**ORDER FOR REVOCATION OF CHRISTOPHER WOCELL'S RESIDENT PRODUCER AND SURPLUS LINES
LICENSES**

Based on the Motion of the Insurance Division of the Vermont Department of Financial Regulation ("Department"), pursuant to 8 V.S.A. § 4804(a)(3), 8 V.S.A. 4804(a)(9), and Department Regulation 82-1 (Revised) at Section 13 for an Order summarily suspending the resident producer and surplus lines insurance licenses held by Christopher Wocell ("Respondent"), the Commissioner renders the following Findings of Fact and Conclusions of Law and issues the following Order:

FINDINGS OF FACT

1. Respondent Christopher Wocell is a Vermont resident insurance producer formerly affiliated with Cornerstone Risk Management LLC (Cornerstone) and Starkweather and Shepley, with his principal place of business in Brattleboro, Vermont. He holds Resident Insurance Producer license #72453, issued July 1, 2002 and Resident Surplus Lines Producer license #1027969, issued April 10, 2015.
2. In December 2016, as a result of a complaint forwarded by the Vermont Department of Labor and pursuant to its statutory authority, the Department commenced an investigation into alleged misrepresentations made by Wocell in certificates of insurance he had issued to customers and third-party contractors for Workers' compensation, commercial liability and automobile insurance policies and related issues regarding his maintenance of the books and records of Cornerstone.
3. As a result of its investigation, the Department discovered that between March and December of 2015, Wocell had issued at least six certificates of insurance containing false information regarding workers compensation insurance. The certificates referenced insurance policies which had either lapsed or had never existed. Several of the certificates also contained erroneous or false information regarding commercial liability and automobile insurance policies.
4. The Department's investigation and subsequent proceedings resulted in a Stipulation and Consent Order dated February 21, 2018. (the Order).
5. The Order provided, in pertinent part:
 - A. This Stipulation is expressly conditioned on the closing of the sale of Cornerstone's assets within thirty (30) days.
 - B. Following the sale of assets by Cornerstone, Respondent shall not issue any certificates of insurance.

- C. Respondent's Resident Producer and Surplus Lines licenses shall be suspended for a period of thirty (30) days, with such suspensions held in abeyance provided Respondent is not disciplined by the Department or by another insurance regulator for a period of one year following the date of the execution of the Stipulation and Consent Order.
 - D. Respondent consented to the entry of the Order and acknowledged the jurisdiction of the Commissioner for purposes of enforcing the Order.
6. Following the entry of the Order, the sale of Cornerstone's assets closed, and Respondent was subsequently employed as an insurance producer. Affidavit of Marcia Violette, Exhibit A.
 7. On or about August 15, 2018, the Department was notified pursuant to 8 V.S.A. § 4813m that Respondent had been terminated from his employment because he had issued one or more insurance certificates in violation of the Order. The Department was also notified that Respondent's Errors and Omissions insurance had been canceled because Respondent had misrepresented the fact he had paid off a claimant to avoid listing the prior claim on his insurance application. Affidavit of Marcia Violette.
 8. The Department subsequently learned that since the entry of the Order, Respondent had issued at least twenty (20) insurance certificates, starting on March 7, 2018. The Department has reviewed the insurance certificates issued by Respondent. Affidavit of Marcia Violette.
 9. The Department has also determined that one or more of the certificates issued by Respondent contained erroneous or false information regarding insurance policies and that one of the certificates referenced an insurance policy which had never been in force. Affidavit of Marcia Violette.
 10. On August 31, 2018, the Commissioner entered an Order (the Suspension Order) summarily suspending Respondent's insurance licenses. Respondent was provided notice of the Order and of his right to request a hearing within 30 days. Respondent has not requested a hearing.
 11. A revocation order is required to prevent Respondent from committing further violations which endanger the public welfare.
 12. Respondent has not requested a hearing nor otherwise communicated in writing with the Department.

CONCLUSIONS OF LAW

13. Pursuant to 8 V.S.A. §§ 11, 12, 15, and 4804, the Commissioner is charged with enforcing the insurance laws of the State of Vermont.
14. Respondent violated 8 V.S.A. § 4804(a)(3), by issuing certificates of insurance in violation of a lawful Order of the Commissioner. In light of Respondent's knowledge of the Order, the violations were willful.
15. Respondent violated 8 V.S.A. 4804(a)(9) by making material misrepresentations on an application for Errors and Omissions insurance.
16. Because Respondent willfully violated a lawful Order, because Respondent may be operating without errors and omissions coverage, and further Respondent made material misrepresentations on an application for Errors and Omissions insurance, an Order is required.

COMMISSIONER'S AUTHORITY

17. Pursuant to 8 V.S.A. § 4804(a)(3), the Commissioner may suspend or revoke an insurance license for any violation of a lawful Order of the Commissioner.

18. Pursuant to 8 V.S.A. 4804(a)(9), the Commissioner may suspend or revoke an insurance license when a licensee has engaged in dishonest, incompetent or untrustworthy practices.
19. Pursuant to 8 V.S.A. 4804(d), the Commissioner may impose an administrative penalty of not less than \$500 nor more than \$2500 per violation.
20. Pursuant to 8 V.S.A. 3661, the Commissioner may impose an additional administrative penalty of not more than \$10,000 per violation.

ORDER

PURSUANT TO 3 V.S.A. § 814(c), DEPARTMENT REGULATION 82-1(REVISED) AT SECTION 13, AND PURSUANT TO 8 V.S.A. § 4804(a) and (d) and 8 V.S.A. 3661, IT IS HEREBY ORDERED:

1. Resident Producer license #72453 and Surplus Lines Producer #1027969 are hereby revoked.
2. Respondent shall not conceal, withhold, destroy, mutilate, alter or by any means falsify any documentary material in his possession, custody or control that is related to his activities as a producer.
3. Respondent shall surrender his insurance licenses to the Department forthwith.
4. Respondent shall pay a fine of \$70,000 to the Department, payable as follows:
 - A. Respondent shall pay \$12,000, payable through 33 equal monthly installments of \$350 and a final payment of \$450 on the 15th day of each month, beginning January 15, 2019.
 - B. The balance of the \$70,000 shall be suspended unless and until Respondent either defaults on his obligations under paragraph 4 A or seeks a new insurance license in Vermont. In either event, the full fine amount shall be due immediately.

Dated at Montpelier, Vermont this 13th day of December 2018.



Michael S. Pieciak, Commissioner