

JUN 24 2016

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY ms

In the Matter of:

**7710 INSURANCE COMPANY  
and WONG, WIATT EDMUND  
(Arizona License Number 30058)  
(National Producer Number 6741517)**

No. 16A-081-INS

**ORDER TO CEASE AND DESIST**

**Respondents.**

The State of Arizona Department of Insurance ("Department") has received evidence that **7710 Insurance Company and Wiatt Edmund Wong ("Respondents")** unlawfully transacted insurance business, as provided in Arizona Revised Statutes ("A.R.S.") § 20-106 in the State of Arizona without a certificate of authority from the Department. Accordingly, the Interim Director of Insurance of the State of Arizona (the "Interim Director") makes the following Findings of Fact and Conclusions of Law and enters the following Order pursuant to A.R.S. § 20-401.02.

**FINDINGS OF FACT**

1. 7710 Insurance Company ("7710 Insurance") is a South Carolina corporation that, at all times, did not hold a Certificate of Authority with the Department as a Workers' Compensation carrier.
2. 7710 Insurance's address of record is: 1 North Cantey Road, Summerton, SC 29148 (business and mailing) according to the South Carolina Department of Insurance.
3. 7710 Insurance is not exempt from the licensing requirement.

1 4. Wiatt Edmund Wong (“Wong”) is, and was at all times material, licensed as a  
2 resident accident/health, life, casualty and property insurance producer, Arizona license number  
3 30058, which expires on November 30, 2018.

4 5. Wong’s addresses of record with the Department are; JW & Associates dba VFIS  
5 of AZ, 2583 W. Kit Carson Trail, Anthem, Arizona 85086 (business) and P.O. Box 75218,  
6 Phoenix, Arizona 85087 (mailing).

7 **DEPARTMENT COMPLAINTS**

8 6. On December 28, 2015, the Department received a complaint alleging that 7710  
9 Insurance had solicited in Arizona fire districts to sell Workers’ Compensation insurance. On  
10 April 28, 2016, the Department received a second complaint alleging that the Respondents were  
11 marketing Workers’ Compensation insurance in Arizona and the complaint included a flyer titled  
12 “Why Choose 7710 Insurance” and a pamphlet titled “7710 Insurance, Specialized Workers’  
13 Compensation Insurance.” Each of these documents were purported to have been obtained at  
14 presentations or seminars hosted by 7710 Insurance and producer Wiatt Wong for Arizona fire  
15 districts.

16 **FIRE DISTRICT INFORMATION**

17 7. The Department secured Board Meeting Minutes from the websites of the Sun City  
18 Fire District (June 9, 2015), Superstition Fire & Medical District (December 16, 2015), and  
19 Highlands Fire District (January 19, 2016). The Board Meeting Minutes support that 7710  
20 Insurance, through Wiatt Wong, conducted presentations, presented proposals, accepted and  
21 approved applications, or offered incentives to fire districts to sign with 7710 Insurance for  
22 Workers’ Compensation insurance.

1 **CONCLUSIONS OF LAW**

2 1. The Interim Director has jurisdiction over this matter.

3 2. It is unlawful for any insurer to transact insurance business as provided in A.R.S.  
4 § 20-106 in this state without a certificate of authority from the Interim Director. A.R.S. § 20-  
5 401.01.

6 3. 7710 Insurance's conduct, as alleged above, constitutes transacting insurance  
7 business in this state, within the meaning of A.R.S. § 20-106.

8 4. Wong's conduct, as alleged above, constitutes aiding or assisting any person in  
9 the unauthorized transaction of insurance business, within the meaning of A.R.S. § 20-  
10 295(A)(11).

11 5. Grounds exist for the Interim Director to order 7710 Insurance and Wong to  
12 cease and desist engaging in the transaction of insurance, within the meaning of A.R.S. § 20-  
13 401.02.

14 **ORDER**

15 IT IS HEREBY ORDERED THAT:

16 1. Respondents shall immediately cease and desist from unlawfully transacting  
17 insurance business in this state.

18 2. This Order shall become effective immediately and shall remain in full force and  
19 effect until otherwise stayed, modified, vacated or set aside.

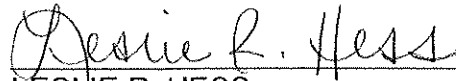
20 **NOTICE OF OPPORTUNITY FOR HEARING**

21 Pursuant to Title 20 of the Arizona Revised Statutes, Respondents are hereby notified  
22 that they may request a hearing pursuant to A.R.S. § 20-161 to contest the order to cease and  
23 desist. Such a request must be in writing and received at the following address within thirty  
24 (30) days from the date hereof:

1 Arizona Department of Insurance  
2 2910 North 44th Street, Suite 210  
3 Phoenix, Arizona 85018  
4 ATTN: Director's Office

5 Upon receipt of a timely written request for hearing, the Director will issue an order  
6 setting the time and place of the hearing.

7 DATED AND EFFECTIVE this 23rd day of June, 2016.

8   
9 LESLIE R. HESS  
Interim Director of Insurance

10 COPIES of the foregoing hand delivered  
11 this 24th day of June, 2016, to:

12 Tasha N. Cycholl  
13 Kutak Rock LLP  
14 8601 North Scottsdale Road, Suite 300  
15 Scottsdale, AZ 85253-2738  
16 Attorney for Respondent 7710 Insurance

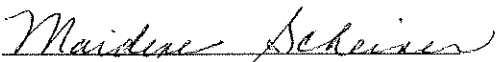
17 William J. Adamson, Chairman and CEO  
18 7710 Insurance Company  
19 1 North Cantey Road  
20 Summerton, SC 29148  
21 Respondent

22 Wiatt Edmund Wong  
23 c/o JW & Associates dba VFIS of AZ  
24 2583 W. Kit Carson Trail  
Anthem, AZ 85086  
Respondent

COPIES of the foregoing mailed/delivered  
this 24th day of June, 2016, to:

Mary E. Kosinski, Executive Assistant for Regulatory Affairs  
Cary Cook, Financial Affairs Division  
Steven Fromholtz, Assistant Director, Consumer Protection Division

1 Catherine M. O'Neil, Consumer Legal Affairs Officer  
2 Gloria Barnes-Jackson, Supervisor  
3 Department of Insurance  
4 2910 North 44<sup>th</sup> Street, Suite 210  
5 Phoenix, Arizona 85018

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Maidene Scheiner