

**GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE LIEUTENANT GOVERNOR
DIVISION OF BANKING AND INSURANCE**

In the Matter of:)
)
George Byam and)
Byam Insurance Agency)
_____)

ORDER NO. 02/2017

ORDER

WHEREAS, this matter is before the Commissioner of Insurance as a result of a complaint filed by an insurance consumer against Mr. George Byam (hereinafter referred to as "Mr. Byam") and Byam Insurance Agency (hereinafter referred to as "Byam") relative to a homeowner's policy purchased from MAPHRE PRAICO Insurance Company (hereinafter referred to as "Maphre") through Byam on May 24, 2017 in the amount of Two Thousand Four Hundred Twenty Six and Four cents (\$2,426.04) for the policy period of May 25, 2017 to May 25, 2018; and

WHEREAS, the insurance consumer after filing a claim with Maphre was advised by the insurance company that her policy was cancelled for nonpayment of premium; and

WHEREAS, the insurance consumer produced a copy of the receipt from Byam showing payment of premium was made in full on May 24, 2017 in the amount of Two Thousand Four Hundred Twenty Six and Four cents (\$2,426.04) for the policy period of May 25, 2017 to May 25, 2018; and

WHEREAS, the Division of Banking, Insurance and Financial Regulation (hereinafter referred to as "Division") records show Byam holds a Life and Health agent, broker and Surplus lines license with the effective date of January 1, 2017 and the expiration date of December 31, 2017; and

WHEREAS, Mr. Byam is also licensed to conduct all lines as an agent and broker, and Surplus lines business with the effective date of January 1, 2017 and the expiration date of December 31, 2017; and

WHEREAS, Mr. Byam has binding authority for MAPHRE; and

WHEREAS, the crux of this complaint is that Mr. Byam, Owner and Manager of Byam failed to remit the insurance premium paid by the policyholder to Maphre, which resulted in the insurance consumer policy being cancelled by Maphre; and

WHEREAS, the insurance consumer produced to the Division a declaration page, which was issued to her at the time of payment of premium for the policy period of May 25, 2017 to May 25, 2018; and



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WHEREAS, on September 18, 2017 when she visited Byam's office to inquire as to why she did not receive her homeowner's policy she was provided another copy of her declaration page and was assured by one of Byam's employee that the policy was still in effect; and

WHEREAS, as a result of this complaint, the Division commenced an investigation, which revealed that Mr. Byam failed to report timely payment of premiums for automobile and homeowners coverage for the period of February 2016 to September 2017 to Maphre totaling \$55,311.00; and

WHEREAS, Mr. Byam and Byam also failed to remit for the period of September 1st to October 1st to Guardian General Insurance Ltd. (hereinafter referred to as "Nemwil") premium payments totaling \$29,267.93; and

WHEREAS, Byam's failure to timely remit premiums owed to Maphre and Nemwil have resulted in the termination of Maphre and Nemwil contractual agreements between Byam and Maphre, and Byam and Nemwil; and

WHEREAS, the Division further notes during its investigation Prime Insurance Company reported surplus lines business was conducted by Mr. Byam and Byam for Year 2016 but no premium taxes were remitted to Division; and

WHEREAS, Order No. 1/2016, *In The Matter of Examination of Byam Insurance Agency* required that in accordance with Title 22 of the Virgin Islands Code, Section 752, Byam shall require its employee(s) on staff performing duties beyond administrative services to obtain the appropriate insurance license; and

WHEREAS, it is noted, none of Mr. Byam's employees currently holds an insurance license; however, the employees are conducting insurance business beyond mere administrative services.

NOW THEREFORE, in concert with the findings and the authority vested in the Commissioner of Insurance pursuant to Section 54 of Title 22 Virgin Islands Code, it is hereby

ORDERED that, as result of the failure to timely submit premium payments to Maphre and Nemwil within the time frame provided in the contractual agreements and the termination of Maphre and Nemwil contractual agreements, Mr. Byam shall cease and desist doing any new and renewal insurance business under his calendar Year 2017 agent, broker and surplus lines license, effective 10 days from receipt of this Order; and it is

FURTHER ORDERED that, Mr. Byam under this Order is only permitted to accept insurance claims from policyholders and submit claims to the insurance companies, which wrote the policy; and it is



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FURTHER ORDERED that, Byam shall remit the 2016 report of the surplus lines business conducted and the required quarterly tax payments on surplus lines transactions made in Year 2016; and it is

FURTHER ORDERED that, Mr. Byam and Byam shall submit within 5 days of receipt of Order (October 23, 2017) the following:

- 1) Copies of the contractual agreements between Byam and Maphre, and Byam and Nemwil; and
- 2) Copies of the processed check sent to Maphre and the transmittal document with the listing of policyholders; and
- 3) Copies of the last transmittal document sent to Nemwil and a copy of the processed check; and it is

FURTHER ORDERED that, in accordance with Title 22 of the Virgin Islands Code, Section 151, Mr. Byam may request a hearing before the Commissioner within 10 days of receipt of this Order (October 28, 2017) to show cause why this Order should not remain in effect; and it is

FURTHER ORDERED that, a copy of this Order shall be served by hand delivery upon Mr. Byam, Owner and Manager of Byam at The Village Mall No. 13 Barren Spot Christiansted, VI 00820.

Dated: October 18, 2017



Osbert E. Potter
Lieutenant Governor/
Commissioner of Insurance

