

**STATE OF MAINE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
BUREAU OF INSURANCE**

**IN RE:**

**MICHAEL LILLYBRIDGE  
National Producer # 3356702**

**Docket No. INS-04-503**

**LICENSE REVOCATION  
NOTICE, ORDER,  
and  
OPPORTUNITY FOR  
HEARING**

**INTRODUCTION**

1) This matter is before the Superintendent of Insurance, after notice and opportunity for hearing, pursuant to a Petition to REVOKE the nonresident insurance producer license of Michael Lillybridge, dated August 11, 2004, and filed by the Staff of the Maine Bureau of Insurance.

2) The Maine Insurance Code regulates persons who offer or sell insurance products in the State of Maine. The Superintendent of Insurance has jurisdiction over this matter pursuant to the Insurance Code generally, Title 24-A Maine Revised Statutes Annotated, and in particular, 24-A M.R.S.A. §§211, 220, 1417, 1420-G and 1420-K.

**FINDINGS OF FACT**

3) Michael Lillybridge has been licensed in Maine as a nonresident insurance producer, as further described below, during the time period relevant to the facts found herein. His license number in Bureau records is PRN 67744. His National Producer Registry Number is 3356702.

4) Mr. Lillybridge's address of record in the Bureau of Insurance licensing system is:

PO Box 2166  
Conway, NH 03818

5) Mr. Lillybridge's last known address as of the filing of the August 11, 2004 Petition was as specified on a U.S. Postal Service Certified Mail Receipt relating to a Bureau letter dated June 16, 2004 to Mr. Lillybridge:

33 Wayside Avenue, Apt 5  
Bridgton, ME 04009

6) A copy of the Petition, together with a document that provided notice and opportunity for hearing, was sent by regular mail through the United States Postal Service on August 12, 2004 to Mr. Lillybridge, at both PO Box 2166, Conway, NH 03818, his licensing address of record, and 33 Wayside Avenue, Apt 5, Bridgton, ME 04009, his last known address as of that date.

7) In a September 14, 2004 telephone call to the Bureau of Insurance, Mr. Lillybridge confirmed that he had received a copy of the Petition, but noted that the most current address at which he could now be reached would be:

5 Oxford Street  
Fryeburg, ME 04037

8) Mr. Lillybridge has not requested a hearing in connection with the Petition, and the time period allotted for the filing of any such request has expired.

LINDSAY COMPLAINT FACTS  
and  
FAILURE OF MR. LILLYBRIDGE TO RESPOND TO SUPERINTENDENT

9) On March 4, 2004, a Bureau Attorney wrote to Mr. Lillybridge at his address of record, by both Certified and Regular Mail, requesting his statement with regard to a matter to be identified herein as the "Lindsay complaint," in which the complainant, a Maine citizen, alleged that Mr. Lillybridge entered inaccurate information on her husband's application for insurance without his knowledge, and forged his name. The inaccurate information had caused the insurer to deny a claim made under the policy.

10) The March 4 letter specified that, in accordance with 24-A M.R.S.A. §220, Mr. Lillybridge was required to provide a substantive response or to provide the reason for any inability to respond, by no later than Monday, April 12, 2004. The Certified Mail letter was ultimately returned to the Bureau as unclaimed.

11) On April 12, 2004, which was the deadline for his response, Mr. Lillybridge indicated in a phone call to the Bureau Attorney that he had received the regular mail letter, but did not have sufficient memory of the incident and would appreciate being provided with more detail. He also indicated that he would be temporarily residing at 21 Wayside Street, Apt 5, Bridgton, ME 04009, and he provided a phone number for that address at which he indicated he could be reached.

12) On April 15, 2004, the Bureau Attorney sent a letter containing more detailed information about the issues involved in the Lindsay complaint. The letter required a response by Friday, May 7, 2004.

13) On May 7, 2004, which was the deadline for his response, Mr. Lillybridge left a phone message at the Bureau, requesting a return call.

14) On May 19, 2004, when a call was attempted to the number given, a recording indicated that the number had been "temporarily disconnected."

15) Mr. Lillybridge has not provided any response to the allegations of the Lindsay complaint, which are supported by accompanying documentation, and are hereby accepted as true.

#### MILLS COMPLAINT FACTS

and

#### FAILURE OF MR. LILLYBRIDGE TO RESPOND TO SUPERINTENDENT

16) On June 16, 2004, a Bureau Attorney wrote to Mr. Lillybridge both at his address of record and 21 Wayside Street, Apt. 5, Bridgton, ME 04009, the address specified in Paragraph 11 above. The letter requested his statement with regard to a matter to be identified herein as the "Mills complaint," in which the complainant, a Maine citizen, alleged that, after her initial application for disability insurance was apparently lost, Mr. Lillybridge entered inaccurate information on her new application for insurance without her knowledge, and forged her name. The inaccurate information had caused the insurer to deny a claim made under the policy.

17) The June 16 letter specified that, in accordance with 24-A M.R.S.A. §220, Mr. Lillybridge was required to provide a substantive response or to provide the reason for any inability to respond, by no later than Friday, July 2, 2004. The letter also reminded Mr. Lillybridge that the Bureau had not received any response from him regarding the Lindsay complaint.

18) The Bureau received a return receipt indicating delivery of the June 16 letter to a new address, 33 Wayside Avenue, Apt. 5, Bridgton, ME 04009.

19) Mr. Lillybridge did not provide the required response by the deadline of July 2, 2004.

20) Mr. Lillybridge has not provided any response to the allegations of the Mills complaint, which are supported by accompanying documentation, and are hereby accepted as true.

## OTHER STATE'S ADMINISTRATIVE ACTION

21) In December 2003, the State of New Hampshire Insurance Department entered into a Consent Order and Agreement with Mr. Lillybridge concerning his New Hampshire resident insurance producer license. The stipulated facts were that Mr. Lillybridge fabricated groups for the purpose of obtaining insurance.

22) Through execution of the Consent Order and Agreement, the New Hampshire Insurance Department imposed a deferred 6 month suspension of Mr. Lillybridge's New Hampshire license and levied an administrative penalty of \$1,000.00.

## LACK OF HOME STATE LICENSE TO SUPPORT MAINE NONRESIDENT LICENSE

23) The records contained in the NAIC National Producer Database indicate that Mr. Lillybridge's New Hampshire resident insurance producer license has been terminated since April 30, 2004.

## **GROUND'S FOR LICENSING REVOCATION**

### LINDSAY AND MILLS COMPLAINTS

24) The Superintendent may, after notice and opportunity for hearing, revoke a producer's license under 24-A M.R.S.A. §1420-K(1)(E), based upon "intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance."

25) The Superintendent may also take such action under §1420-K(1)(H) for "using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this State or elsewhere."

26) The Superintendent may also take such action under §1420-K(1)(J) for "forging another's name to an application for insurance or to any document related to an insurance transaction."

27) Further, the Superintendent may take such action under §1420-K(1)(B) for violating any insurance laws. The Maine Insurance Code, at 24-A M.R.S.A. §220(2), provides that: "All insurers and other persons required to be licensed pursuant to this Title shall respond to all lawful inquiries of the superintendent that relate to resolution of consumer complaints involving the licensee within 14 days of receipt of the inquiry and to all other lawful inquiries of the superintendent within 30 days of receipt. If a substantive response can not in good faith be provided within

the time period, the person required to respond shall so advise the superintendent and provide the reason for the inability to respond.”

28) The facts of the Lindsay complaint, summarized in Paragraph 9 above, and as reflected in the Bureau’s complaint investigation file, have not been controverted by any evidence or statement supplied by Mr. Lillybridge. The Lindsay complaint file establishes prima facie statutory grounds for revoking Mr. Lillybridge’s producer license based upon intentionally misrepresenting the terms of an application for insurance under 24-A M.R.S.A. §1420-K(1)(E), using fraudulent or dishonest practices or demonstrating incompetence or untrustworthiness under §1420-K(1)(H), and forging a name to an application for insurance under §1420-K(1)(J).

29) The facts of the Mills complaint, summarized in Paragraph 16 above, and as reflected in the Bureau’s complaint investigation file, have not been controverted by any evidence or statement supplied by Mr. Lillybridge. The Mills complaint file establishes prima facie statutory grounds for revoking Mr. Lillybridge’s producer license based upon intentionally misrepresenting the terms of an application for insurance under 24-A M.R.S.A. §1420-K(1)(E), using fraudulent or dishonest practices or demonstrating incompetence or untrustworthiness under §1420-K(1)(H), and forging a name to an application for insurance under §1420-K(1)(J).

30) Mr. Lillybridge was notified of his obligation under 24-A M.R.S.A. §220(2) to respond to the Bureau’s inquiry concerning the Lindsay complaint, and was afforded sufficient time do so to. Mr. Lillybridge did not respond to the Superintendent’s inquiry, in violation of §220(2), which constitutes statutory grounds for revoking Mr. Lillybridge’s producer license under §1420-K(1)(B).

31) Mr. Lillybridge was notified of his obligation under 24-A M.R.S.A. §220(2) to respond to the Bureau’s inquiry concerning the Mills complaint, and was afforded sufficient time do so to. Mr. Lillybridge did not respond to the Superintendent’s inquiry, in violation of §220(2), which constitutes statutory grounds for revoking Mr. Lillybridge’s producer license under §1420-K(1)(B).

#### NEW HAMPSHIRE ADMINISTRATIVE ACTION

32) The Superintendent may, after notice and opportunity for hearing, revoke a producer’s license under 24-A M.R.S.A. §1420-K(1)(I), based upon “having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory.”

33) The Superintendent may also take such action under §1420-K(1)(B) for violating any insurance laws. The Maine Insurance Code, at 24-A M.R.S.A. §1420-P(1), provides that: "A producer shall report to the superintendent any administrative action taken against the producer in another jurisdiction or by another governmental agency in this State within 30 days of the final disposition of the matter. This report must include a copy of the order, consent to order or other relevant legal documents."

34) The 2003 New Hampshire Consent Order and Agreement suspended Mr. Lillybridge's license. Such suspension constitutes grounds for action against Mr. Lillybridge's Maine nonresident license under §1420-K(1)(I).

35) Mr. Lillybridge did not report the New Hampshire action to the Maine Superintendent of Insurance, which violated 24-A M.R.S.A. §1420-P(1) and therefore constitutes grounds for action against Mr. Lillybridge's license under §1420-K(1)(B).

#### LACK OF HOME STATE LICENSE

36) As indicated in Paragraph 20 above, Mr. Lillybridge's New Hampshire resident insurance producer license has been terminated since April 30, 2004.

37) At 24-A M.R.S.A. §1420-G(1)(A), the Maine Insurance Code provides that one of the basic qualifications for issuance of a Maine nonresident license is that "the person is currently licensed as a resident and in good standing in that person's home state."

38) Mr. Lillybridge is no longer qualified to hold a Maine nonresident insurance producer license.

39) Pursuant to administrative processes independent of this Revocation proceeding, Mr. Lillybridge's license has been in "cancelled" status in Maine since September 9, 2004 due to the lack of a home state license to support his resident Maine license which had been issued on a reciprocal basis.

#### **ORDER REVOKING LICENSE of MICHAEL LILLYBRIDGE**

The nonresident insurance producer license of Michael Lillybridge, # PRN 67744, National Producer # 3356702, is hereby **REVOKED** in accordance with the above findings, pursuant to 24-A M.R.S.A. §1417 and 24-A M.R.S.A. §1420-K.

The effective date of this Order is January 5, 2005.

**NOTICE OF APPEAL RIGHTS**

This Decision and Order is a final agency action of the Superintendent of Insurance within the meaning of the Maine Administrative Procedures Act. It is appealable to the Superior Court in the manner provided in 24-A M.R.S.A. §236, 5 M.R.S.A. §11001, et seq., and M.R.Civ.P. 80C. Any party to the proceeding may initiate an appeal within thirty (30) days after receiving this notice, which has been given in accordance with the requirements of 24-A M.R.S.A. §213. Any aggrieved non-party whose interests are substantially and directly affected by the Decision and Order may initiate an appeal within forty (40) days of the issuance of this Decision and Order. There is no automatic stay pending appeal; application for stay may be made in the manner provided in 5 M.R.S.A. §11004.

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By: ERIC A. CIOPPA  
Deputy Superintendent,  
Maine Bureau of Insurance