

**In re:**  
**Safe-Guard Products International,**  
**Inc.**

**STATE OF MAINE**  
**BUREAU OF INSURANCE**

**Docket No. INS-07-201**

**CONSENT AGREEMENT**

This document is a Consent Agreement authorized by Title 10 M.R.S.A. § 8003(5), entered into among Safe-Guard Products International, Inc., a Georgia corporation; the Maine Superintendent and Bureau of Insurance; and the Maine Department of the Attorney General. Its purpose is to resolve, in lieu of an adjudicatory proceeding, issues implicating Title 24-A M.R.S.A. §1417(1) and §1420-K(1)(A).

**STATEMENT OF FACTS**

1. The Superintendent of Insurance is the official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction.
2. Safe-Guard Products International, Inc. applied for a Maine Nonresident Business Entity Producer License in November, 2006.

**Failure to disclose administrative proceedings**

3. Item 2 of the background questions on the application form electronically filed in connection with this application required a response to the following question:  
  
"Has the business entity or any owner, partner, officer or director ever been involved in an administrative proceeding regarding any professional or occupational license?"
4. The applicant answered "No" to Item 2.
5. The application included the "Authorizing Officer's" confirmation that, "As the authorized submitter, I declare that the applicant provided all the information submitted on this application," and included the applicant's "Certification and Attestation" under the statement:  
  
"All of the information submitted in this application and attachments is true and complete and I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license or registration revocation and may subject me and the business entity to civil or criminal penalties."
6. Staff of the Maine Bureau of Insurance discovered through its application review process that the applicant had entered into a Consent Order in December 2000 in the state of

Pennsylvania, for “No license/No Certificate of Authority,” resulting in a fine of \$10,000.00.

7. The Supervisor of Licensing for the Maine Bureau of Insurance requested, by letter dated December 15, 2006, an explanation for the applicant’s failure to disclose the Pennsylvania matter.
8. The Bureau received a letter in reply, dated January 11, 2007, signed by both the applicant’s Compliance Administrator and Compliance Officer. This letter included documentation and an explanation of the Pennsylvania matter as well as documentation and an explanation of a similar California Cease and Desist order dated July 18, 2006. The letter included the Compliance Administrator’s explanation regarding the failure to disclose the matters in the application or to accurately answer the item on the application requiring such disclosure:

“Please note that I inadvertently answered ‘No’ to background question #2 and request that you amend the question to state ‘Yes’. I was unaware of the administrative actions taken against Safe-Guard products International prior to your notification. This was an error on my behalf and not an intentional failure to disclose information on behalf of Safe-Guard Products International or [the Compliance Officer].”

#### **CONCLUSIONS OF LAW**

9. The application form’s disclosure questions specifically require disclosure of insurance administrative matters. Safe-Guard Products International, Inc. provided incorrect, misleading, incomplete or materially untrue information in its Maine application for nonresident producer business entity licensing by failing to disclose the Pennsylvania consent order and California order when it applied, and by certifying that the information was true and complete, and the applicant has not provided an adequate legal explanation for this failure to provide accurate information or to answer the item on the application correctly.
10. The provision of incorrect, misleading, incomplete or materially untrue information in the license application constitutes grounds for denial of the license application or other appropriate action, including the imposition of a civil penalty, under 24-A M.R.S.A. §1420-K(1)(A).

#### **COVENANTS**

11. Safe-Guard Products International, Inc., the Maine Superintendent and Bureau of Insurance, and the Maine Department of the Attorney General agree to the following.
12. This Consent Agreement is entered into in accordance with 10 M.R.S.A. § 8003(5)(B) and is not subject to review or appeal. This Consent Agreement is enforceable by an action in the Superior Court.
13. At the time of executing this Consent Agreement, Safe-Guard Products International, Inc. will remit to the Maine Bureau of Insurance a civil penalty in the amount of \$250.00, payable to the Treasurer of the State of Maine.
14. Safe-Guard Products International, Inc. will promptly report any matters to the Maine Bureau of Insurance during all times as it is licensed through the Bureau, to the extent

such reporting is required under the Maine Insurance Code, and will comply in all other respects with the provisions of the Maine Insurance Code, as applicable.

- 15. In consideration of the applicant's execution of this Consent Agreement, the State of Maine Bureau of Insurance shall issue the Nonresident Producer Business Entity License for which it has applied.
- 16. Safe-Guard Products International, Inc. understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 MRSA § 402, and will be available for public inspection and copying as provided for by 1 MRSA § 408, and will be reported to the NAIC "RIRS" database.
- 17. In consideration of the applicant's execution of and compliance with the terms of this Consent Agreement, the Superintendent of Insurance, Bureau of Insurance, and Department of the Attorney General agree to forgo pursuing further disciplinary measures or other civil or administrative sanction for the actions described in this Consent Agreement, other than those agreed to herein. However, should Safe-Guard Products International, Inc. violate this Consent Agreement, it may be subject to any available legal remedy for the violation, including without limitation the suspension or revocation of all licenses issued to the applicant under the Maine Insurance Code.
- 18. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.

**Executed by:**

**Safe-Guard Products International, Inc.**

Dated: \_\_\_\_\_, \_\_\_\_\_

By:

\_\_\_\_\_

\_\_\_\_\_  
(printed name)

Its: \_\_\_\_\_

State of Georgia, \_\_\_\_\_, ss  
Subscribed and Sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
(printed name)

**THE MAINE SUPERINTENDENT OF INSURANCE**

Dated: March 13, 2007

\_\_\_\_\_  
Eric A. Cioppa, Acting Superintendent

**FOR THE DEPARTMENT OF THE ATTORNEY GENERAL**

Dated: March 16, 2007

\_\_\_\_\_  
**Assistant Attorney General**

\_\_\_\_\_  
(printed name)