

STATE OF MAINE
BUREAU OF INSURANCE

IN RE:

JACOB A. WRIGHT

Maine License No. PRN229651
National Producer No. 3684441

CONSENT AGREEMENT

Docket No. INS-14-206

Jacob A. Wright, a licensed Maine non-resident insurance producer, the Maine Superintendent of Insurance (“the Superintendent”), and the Office of the Maine Attorney General (“Attorney General”) hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without an adjudicatory proceeding, violations of the Insurance Code for which the Superintendent may impose discipline pursuant to 24-A M.R.S. §§ 1417 and 1420-K.

PARTIES

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. The Superintendent has jurisdiction over this matter pursuant to 24-A M.R.S. §§ 12-A and 211.
2. Jacob A. Wright has been licensed as an insurance producer with Life and Health authority since 1998. He was a resident of Maine and licensed as a resident producer until February 28, 2014, when he notified the Bureau of Insurance that he had become a resident of Florida and requested that his Maine resident producer license be converted to a non-resident producer license. When he was a resident producer in Maine his resident producer license number was PRR59769. His current Maine non-resident producer license number is PRN229651. His National Insurance Producer Registry number is 3684441.

STATUTORY AUTHORITY

3. Under 24-A M.R.S. §§ 12-A and 1420-K, the Superintendent may issue a warning, censure, or reprimand to a licensee, may suspend, revoke or refuse to renew the license of a licensee, may impose conditions of probation on the licensee, may levy a civil penalty, or may take any combination of such actions, for violating any insurance laws, or violating any rule, regulation, subpoena, or order of the Superintendent. Pursuant to 10

M.R.S. § 8003(5)(B), the Superintendent may resolve a complaint by entering into a consent agreement with a licensee and with the agreement of the Attorney General.

FACTS

4. Mr. Wright is a producer affiliated with NaseCare, an insurance agency located in Texas. He has been affiliated with NaseCare for approximately three years. He is appointed by numerous insurers.

5. While Mr. Wright was a resident of Maine, he was a top producer for NaseCare with a high sales volume. Mr. Wright primarily sold health policies by telephone, e-mail, and via the internet. A significant part of his sales resulted from following up on "leads" that he purchased from NaseCare.

6. In mid-2011, Mr. Wright hired Courtney Harris to be his assistant. Mr. Wright had previously worked with Ms. Harris while they were both affiliated with another agency, Insphere Insurance Solutions, Inc.

7. Ms. Harris performed a variety of functions for Mr. Wright. One of those functions was to make initial contact with consumers from the leads Mr. Wright purchased and screen them for potential sales. Ms. Harris asked a variety of screening questions of these consumers, such as whether they already had health insurance and what they paid in premium, and whether they had any pre-existing medical conditions. She set up appointments for Mr. Wright to speak to those consumers who were interested in buying health insurance.

8. Ms. Harris was employed by Mr. Wright for approximately 18 months, ending in December, 2012. During this time, Ms. Harris worked out of her home for Mr. Wright. Because of this, Mr. Wright had very limited ability to supervise Ms. Harris's activities while in his employ.

9. Mr. Wright paid Ms. Harris by the hour, and also paid her a bonus of \$25 to \$50 when she set up an appointment for Mr. Wright that resulted in an insurance sale.

10. On October 5, 2010, Ms. Harris was convicted of felony theft by unauthorized taking or transfer as the result of her 2008 theft of money from her former employer, a retail store. She was sentenced to one year in prison, all but seven days suspended, a period of probation of two years, and ordered to pay \$8,279 in restitution.

11. Although federal law prohibits the employment of individuals convicted of any criminal felony involving dishonesty or breach of trust to engage or participate in the business of insurance, Mr. Wright did not do a criminal background check on Ms. Harris when he hired her.

12. While working for Mr. Wright, Ms. Harris used a false name (“Kristi Collins”) while speaking to consumers. She also used an e-mail address featuring this false name (kristicollinsinsurance@gmail.com) when communicating with consumers. Mr. Wright was aware that she used this false name and e-mail and condoned her use of it. Mr. Wright used the e-mail address jakewrightinsurance@gmail.com in his conduct of business.

13. Ms. Harris went beyond screening leads when she spoke with consumers. She sometimes contacted insurers about consumers with particular health problems to see if the insurer would offer the consumer a health policy. She sometimes suggested certain health policies to consumers and described features of the policies.

14. On no less than five occasions, Ms. Harris sold a policy or multiple policies to a consumer without any participation by Mr. Wright in the solicitation, negotiation or sale of these policies. The policies were sold under the name of Mr. Wright using his producer license number, and Mr. Wright was described as the agent of record on the policies.

15. Mr. Wright expected Ms. Harris to keep track of the policies that he had sold, the commissions he made, the charge backs to his account (commissions subtracted when a consumer cancelled a policy), and which sales should result in a bonus to Ms. Harris. Mr. Wright did not carefully review this information, leaving it to Ms. Harris. Because of this, it was possible for Ms. Harris to make sales and earn bonuses on her own sales without Mr. Wright being aware of it.

16. Mr. Wright eventually discharged Ms. Harris in December, 2012, because he discovered that she had been claiming hourly wages for hours that she had not worked.

APPLICABLE LAW

17. Title 24-A M.R.S.A. § 1420-K(1)(H) provides that the Superintendent may place on probation, suspend, revoke or refuse to issue or renew an insurance producer’s license or may levy a civil penalty in accordance with section 12-A, or take any combination of such actions, for using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this State or elsewhere.

18. Title 24-A M.R.S.A. § 1420-K(1)(B) provides that the Superintendent may place on probation, suspend, revoke or refuse to issue or renew an insurance producer’s license or may levy a civil penalty in accordance with section 12-A, or take any combination of such actions, for violating any insurance laws.

19. Title 24-A M.R.S. § 1420-B provides that a person may not sell, solicit or negotiate insurance in this State for any class or classes of insurance unless the person is licensed for that line of authority in accordance with this subchapter.

20. Title 24-A M.R.S. § 1420-L(1) provides that an insurance company or insurance producer may not pay a commission, service fee, brokerage or other valuable consideration to a person for selling, soliciting or negotiating insurance in this State if that person is required to be licensed and is not so licensed.

COVENANTS

21. Mr. Wright admits to the Facts as stated above and admits that these Facts constitute a basis for imposing discipline against him as follows:

- a. By employing an assistant who was not a licensed producer to contact consumers interested in buying insurance and failing to adequately supervise her and ensure that she limited her activities to those that did not require a producer license, Mr. Wright demonstrated incompetence in the conduct of business, in violation of 24-A M.R.S. § 1420-K(1)(H);
- b. By failing to adequately track his own sales and bonus payments to Ms. Harris thereby allowing Ms. Harris to receive bonuses for policy sales that she had made herself, Mr. Wright paid valuable consideration to a person who was required to be licensed and was not so licensed in violation of 24-A M.R.S. § 1420-L and 24-A M.R.S. § 1420-K(1)(B), and further demonstrated incompetence in the conduct of business, in violation of 24-A M.R.S. § 1420-K(1)(H);
- c. By employing an assistant to contact consumers interested in buying insurance and encouraging and condoning her use of a false name, Mr., Wright used a dishonest practice in the conduct of business, in violation of 24-A M.R.S. § 1420-K(1)(H);
- d. By employing an assistant to contact consumers interested in buying insurance and encouraging and condoning her use of an email address which contained a false name and which suggested that she operated an insurance business, Mr. Wright used a dishonest practice in the conduct of business, in violation of 24-A M.R.S. § 1420-K(1)(H); and
- e. By employing an assistant to contact consumers interested in buying insurance without conducting a criminal background check, Mr. Wright demonstrated incompetence in the conduct of business, in violation of 24-A M.R.S. § 1420-K(1)(H).

22. Mr. Wright agrees to the imposition of a civil penalty in the amount of Two Thousand Five Hundred Dollars (\$2,500.00). Payment shall be by check or money order

made out to "Treasurer, State of Maine" and delivered to the Bureau with the signed Consent Agreement.

23. Mr. Wright agrees that within six (6) months after the date of the Superintendent's signature below, he will certify to the Superintendent that he has attended and successfully completed six (6) credit hours of continuing education approved in Maine with three (3) credit hours being in ethics and three (3) credit hours being in licensing/appointments. This requirement shall be in addition to any continuing education requirement imposed by his resident state.

24. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.

25. In consideration of Mr. Wright's execution of and compliance with the terms of this Consent Agreement, the Superintendent and Attorney General agree to forgo pursuing against Mr. Wright any further disciplinary measures or other civil or administrative sanctions available under the Maine Insurance Code concerning the specific conduct described in this Consent Agreement, other than those agreed to herein. However, should Mr. Wright violate any provision of this Consent Agreement, he may be subject to any available remedy for the violation. Mr. Wright further acknowledges and agrees that, upon execution of this Consent Agreement, each of the Covenants herein shall constitute an order of the Superintendent.

26. This Consent Agreement is enforceable by an action in Maine Superior Court.

27. This Consent Agreement is not subject to appeal. Mr. Wright waives any further hearings or appeals regarding the matters that are the subject of this Consent Agreement.

28. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto. Any decision to modify, continue, or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.

29. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access Law, 1 M.R.S.A. §§ 401 through 410, will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.

30. Mr. Wright agrees that he has read this Consent Agreement, that he understands this Consent Agreement, that he has reviewed the statutory provisions set forth herein, that he understands his right to consult with counsel before signing this Consent Agreement, and that he enters into this Consent Agreement voluntarily and without coercion of any kind from any person.


JACOB A. WRIGHT

Dated: 04/14, 2014

By: 
Jacob A. Wright

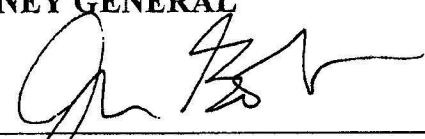
**THE MAINE SUPERINTENDENT OF
INSURANCE**

Dated: 4/23/, 2014

By: 
Eric A. Cioppa
Superintendent of Insurance

**THE MAINE OFFICE OF THE
ATTORNEY GENERAL**

Dated: 4/18/2014

By: 
Jonathan R. Bolton
Assistant Attorney General