

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

In re:

Michael A. Anderson

National Producer No. 67977

Docket No. INS-16-215

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

NOTICE TO MICHAEL A. ANDERSON:

Effective as of **June 17, 2016**, the Maine Superintendent of Insurance denies your April, 2016, application for licensure in Maine as a nonresident insurance producer. The reasons for denial are set forth below:

1. On February 8, 1995, you pled guilty to a violation of 18 U.S.C. § 1341, Frauds and Swindles. Your felony conviction was the result of your involvement as a Sales Manager for Delta Group Administrators, a Missouri-licensed third party administrator. Between mid-1991 and mid-1993, Delta Group Administrators (hereinafter, Delta), through its management, falsely represented to potential customers that Delta would purchase basic health insurance coverage from well-known insurance companies and Delta would pay claims as a third-party administrator. Delta provided potential customers with documentation including policy numbers and plan descriptions for coverage that did not exist. Management of Delta created three other entities engaged in similar operations, and together the affiliated entities accepted approximately \$2 million in premiums and purchased basic health policies for only about ten customers. As the result of your conviction, you were sentenced to 15 months in prison and two years of supervised release. This conviction constitutes grounds for denial of your application for Maine licensure under 24-A M.R.S. § 1420-K(1)(F), for having been convicted of a criminal offense as provided in 5 M.R.S. § 5301(2)(D). Under 5 M.R.S. § 5303, a felony conviction itself may not be a direct consideration in Maine license proceedings after three years from the applicant's discharge from the criminal justice system. However, that section also provides that "[t]here is no time limitation for consideration of an applicant's or licensee's conduct which gave rise to the criminal conviction if that conduct is otherwise a ground for disciplinary action against a licensee." Under 24-A M.R.S. § 1417 and § 1420-K(1)(H), the Maine Superintendent of Insurance may deny, revoke, suspend, place on probation or limit the permissible activities under an insurance producer, adjuster, or consultant license application, after notice and opportunity for hearing, based upon using fraudulent, coercive or

dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business.

2. In April, 2016, you applied for a nonresident insurance producer license in Maine with health authority. You disclosed your felony conviction on the Maine application in accordance with the application form's disclosure questions specifically requiring disclosure of criminal matters. You also provided documentation establishing that on August 25, 2014, the Washington State Insurance Commissioner granted you written consent to engage in the business of insurance. This consent relieved you of the otherwise applicable Federal prohibition under 18 U.S.C. § 1033 from employment in the insurance industry due to having been convicted of a felony involving dishonesty or breach of trust, but did not determine the licensing issue under State licensing laws. In your statement signed April 26, 2016, to the Bureau explaining your conviction, you stated that you became aware of the scheme while working for Delta; however, for personal and financial reasons, you continued your employment.
3. Based on the nature of the conviction, the Superintendent finds that you have not been rehabilitated enough to warrant the public trust, within the meaning of 5 M.R.S. § 5302.

Based upon the above grounds, your application for a Maine insurance producer license is **denied** as of **June 17, 2016**, pursuant to 24-A M.R.S. §§ 1417 and 1420-K.

Under the Maine Insurance Code, specifically 24-A M.R.S. § 1417 and § 1420-K, you have the right to a hearing before the Superintendent or his designee to appeal this denial. If you request a hearing, you will have the right to present evidence and arguments in your defense and you will bear the burden of proof to show that the Superintendent's denial was not reasonable.

If you request a hearing, you will receive further communication regarding scheduling. The matters to be determined through the hearing process are the establishment of the above grounds, and the appropriate sanctions, which can include any available remedy under applicable laws, including the imposition of civil penalties.

To request a hearing, you must notify the Bureau of Insurance in writing no later than July 22, 2016. If you do not file a written request for a hearing within 30 days from the time you know or reasonably should have known of this act through this Notice and Order, you will lose your right to request a hearing on this matter. Pursuant to 24-A M.R.S. § 213(3), this Notice from the Superintendent to you shall be deemed to have been given when deposited in a mail depository of the United States Post Office.

Any request for a hearing, as well as all other communications regarding this Notice, Order, and Opportunity for Hearing must be addressed to Bureau Licensing Attorney Lindsay J. Laxon, Bureau of Insurance, #34 State House Station, Augusta, Maine 04333-0034 (for US Postal Service deliveries) or 76 Northern Avenue, Gardiner, Maine 04345 (for private carrier deliveries, such as FedEx or UPS). You may also reach Ms. Laxon by e-mail at Lindsay.J.Laxon@maine.gov or by telephone at (207) 624-8429.

June 17, 2016



Eric A. Cioppa
Superintendent of Insurance