

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

In re:

CESI Agency of New England

National Producer No. 6383758

Docket No. INS-17-216

**CONSENT AGREEMENT
AND ORDER**

CESI Agency of New England ("CESI"), a Connecticut resident insurance producer business entity, the Maine Superintendent of Insurance ("Superintendent"), and the Office of the Maine Attorney General ("Attorney General") hereby enter into this Consent Agreement and Order ("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.

STATUTORY AUTHORITY

1. 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

2. The Superintendent is the official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance ("Bureau") 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.
3. CESI is an insurance producer business entity with its principal place of business in Hamden Connecticut; it has been licensed in Connecticut since June 2010. Its National Producer Number ("NPN") is 6383758.
4. In June, 2016, the Bureau was notified that CESI was acting as a surplus lines broker and placing Maine risks into the non-admitted market, on behalf of Maine-licensed producers, without a Maine insurance license. At no time has CESI been a licensed producer business entity in Maine, nor is the Bureau aware of any individual producers affiliated with CESI holding Maine producer licenses.
5. CESI's website, however, included the statement that they provide services in Maine and listed Maine as an area for service on the Contact Us page.

6. The Bureau contacted CESI regarding the placements and identified six Maine risks that were placed into the surplus lines market between January 1, 2014, and November 1, 2016. CESI received commissions for these placements.

CONCLUSIONS OF LAW

7. Title 24-A M.R.S. § 1411(1) states that “[a] person may not act as or purport to be an insurance producer or limited insurance producer or engage in producer activities with respect to insurance risks resident, located or to be performed in this State or elsewhere for any kind or kinds of insurance unless licensed for such a kind or kinds in accordance with subchapter II-A.” CESI violated § 1411(1) by placing coverage for Maine risks without the benefit of licensure in the State of Maine.
8. Title 24-A M.R.S. § 1420-L(2) states that “[a] person may not accept a commission, service fee, brokerage or other valuable consideration for selling, soliciting or negotiating insurance in this State if that person is required to be licensed under this subchapter and is not so licensed.” CESI violated § 1420-L(2) by accepting commissions for surplus lines placements without the benefit of licensure.
9. Title 24-A M.R.S. § 1413(1) states that “[a] business entity, whether it has a location in this State or not, must be licensed as an insurance producer, adjuster or consultant business entity in order to authorize individual licensees to act on the entity's behalf by engaging in insurance producer, adjuster or consultant activities or in order to use the name of the business entity in insurance-related advertising in the State.” CESI violated § 1413(1) by placing Maine risks without the benefit of licensure and advertising its services in the State of Maine through its website.
10. Title 24-A M.R.S. § 2004(1) states that insurance coverage may be procured from unauthorized insurers subject to certain conditions including that “[t]he insurance must be procured through a licensed producer with surplus lines authority.” At no time did CESI’s producers have surplus lines authority in Maine, as they were not licensed in this State.

COVENANTS

11. CESI admits to the Facts as stated above and admits that these Facts constitute a basis for imposing discipline upon it.
12. CESI agrees to the imposition of a civil penalty in the amount of three thousand dollars (\$3,000), which CESI will remit to the Maine Bureau of Insurance at the time of returning this signed agreement. Payment shall be by check or money order made out to “Treasurer, State of Maine.”
13. CESI will not engage in any insurance producer activities or advertise its services in Maine without the benefit of the appropriate licensure.
14. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.
15. In consideration of CESI’s execution of and compliance with the terms of this Consent Agreement, the Superintendent and Attorney General agree to forgo pursuing against CESI


any further disciplinary measures or other civil or administrative sanctions arising under the Maine Insurance Code concerning the specific conduct described in this Consent Agreement, other than those agreed to herein. However, should CESI violate any provision of this Consent Agreement, it may be subject to any available remedy for the violation.

16. This Consent Agreement is enforceable by an action in Maine Superior Court and as provided by 24-A M.R.S. § 215.
17. This Consent Agreement is not subject to appeal. CESI waives any further hearings or appeals regarding the matters that are the subject of this Consent Agreement.
18. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto.
19. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access Law, 1 M.R.S. §§ 401 through 410, will be available for public inspection and copying as provided for by 1 M.R.S. § 408-A, and will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.
20. CESI agrees that it has read this Consent Agreement, that it understands this Consent Agreement, that it has reviewed the statutory provisions set forth herein, that it understands its right to consult with counsel before signing this Consent Agreement, and that it enters into this Consent Agreement voluntarily and without coercion of any kind from any person.

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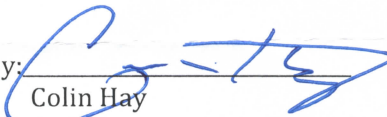
CESI AGENCY OF NEW ENGLAND

Dated: 8/28, 17

By: 
Its Authorized Representative
Walter Prast, CEO/CFO
Print Name and Title

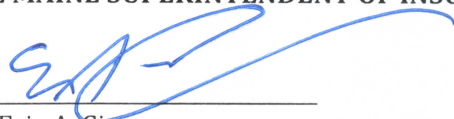
THE MAINE OFFICE OF THE ATTORNEY GENERAL

Dated: 9/5, 17

By: 
Colin Hay
Assistant Attorney General

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: 9-7, 17

By: 
Eric A. Cioppa
Superintendent of Insurance

Dated:

Dated: