

STATE OF MAINE
BUREAU OF INSURANCE

IN RE:

Eric M. Stanton
Maine Producer No. PRR233540
National Producer No. 17286541

CONSENT AGREEMENT AND ORDER

Docket No. INS-19-221

Eric M. Stanton, a licensed resident insurance producer, the Maine Superintendent of Insurance (Superintendent), and the Office of the Maine Attorney General (Attorney General) hereby enter into this Consent Agreement and Order (Agreement) pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without an adjudicatory proceeding, a violation 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 and 10 M.R.S. § 8003(5)(A-1) 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.
2. Title 24-A M.R.S. § 1420-K(1)(H) provides that the Superintendent may take these disciplinary 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.

FACTS

3. 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 the powers set forth in the Insurance Code generally, as well as the specific provisions of 24-A M.R.S. §§ 12-A and 211 and 10 M.R.S. § 8003.
4. Eric M. Stanton is a resident of Maine and his National Producer Number ("NPN") is 17286541. He has been affiliated with HealthMarkets Insurance Agency, Inc., a nonresident producer business entity (NPN 14412207), since August 13, 2014.
5. M.P. is a Maine resident who sought Mr. Stanton's assistance in obtaining an Affordable Care Act Marketplace individual health insurance policy on or around November 1, 2017.

6. M.P. met with Mr. Stanton in person on December 7, 2017 and completed applications for a Harvard Pilgrim Health Care (HPHC) individual health insurance policy as well as two supplemental plans, an accident injury only policy and a specified disease/condition and major organ transplant policy, both with Chesapeake Life Insurance Company (Chesapeake).

7. The monthly premiums for the Chesapeake policies totaled \$67.24 and the HPHC policy was \$71.20. The total premium for M.P.'s three insurance policies was \$138.44.

8. On December 9, 2017, M.P. emailed Mr. Stanton with questions regarding the billing for her insurance. M.P. had been charged only for the Chesapeake policies at that time. The email stated, in part: "I just noticed I was billed for my insurance and it was a lot less than what we had initially discussed and want to make sure I am in the plan that we initially talked about. I was thinking the premium each month would be \$137 thereabouts [sic] and an individual deductible of \$750. Can you verify this for me?"

9. On December 11, 2017, Mr. Stanton responded to M.P. by email and stated: "Your plan is being brokered through my agency so my agency gets a cut of the plan too. Harvard Pilgrim took \$71.20 and my agency will take \$67.24. Your plan is \$138.44 a month."

10. On December 14, 2017, M.P. sent another email to Mr. Stanton stating: "I am really confused. I got a bill today from Harvard Pilgrim for my premium of \$71.20. I thought that is what they took out the other day and why I gave my account information? So am I going to have two payments come out every month?"

11. On December 14, 2017, Mr. Stanton responded and explained that bills "will come from my agency and Harvard pilgrim [sic]."

12. M.P.'s supplemental policies became effective on January 1, 2018 and were terminated on November 1, 2018.

13. On or around December 17, 2018, the Bureau of Insurance received a complaint from M.P.

CONCLUSIONS OF LAW

14. Mr. Stanton's failure to explain that the Chesapeake premiums were associated with separate insurance policies and his characterization of the Chesapeake premiums as being amounts owed to his agency, as described in Paragraphs 9 & 11, represent violations of 24-A M.R.S. § 1420-K(1)(H).

COVENANTS

15. Mr. Stanton admits to the Facts as stated above and admits that these Facts constitute a basis for imposing discipline upon him.

16. Mr. Stanton agrees to the imposition of a civil penalty in the amount of Six Hundred Dollars (\$600.00). This civil penalty will be remitted 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" and addressed to: Licensing Attorney, Maine Bureau of Insurance, 34 State House Station, Augusta, Maine 04333-0034.

17. Mr. Stanton agrees that he will provide accurate information to his insurance customers regarding the relationship between individual health insurance policies and supplemental insurance policies (e.g., hospital indemnity, accident, critical illness coverages). This obligation specifically includes:

- a. Mr. Stanton agrees to explain that individual health insurance policies offered through the health insurance Marketplace are separate from Chesapeake supplemental insurance products;
- b. Mr. Stanton agrees to explain that individual health insurance policies offered through the health insurance Marketplace may be purchased without purchasing Chesapeake or other supplemental insurance products; and
- c. Mr. Stanton agrees to explain that supplemental insurance premiums are insurance company premiums and will not state or imply that premiums will be paid to his agency unless that is, in fact, true.

18. Mr. Stanton agrees to comply with Chesapeake Life Insurance Company sales practice requirements and the sales practice requirements of any insurers for which Mr. Stanton holds an appointment, now and in the future.

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

20. This Agreement constitutes an Order of the Superintendent and a violation of its terms is enforceable by the Superintendent.

21. This Agreement is also enforceable by an action in Maine Superior Court.

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

23. This Agreement may be modified only by a written agreement executed by all of the parties hereto.

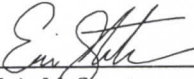
24. This Agreement is a public record subject to the provisions of the Maine Freedom of Access Act and will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.

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

26. In consideration of Mr. Stanton's execution of and compliance with the terms of this Agreement, the Superintendent and Attorney General agree to forgo pursuing against Mr. Stanton any further disciplinary measures or other civil or administrative sanctions arising under the Maine Insurance Code concerning the specific conduct described in this Agreement, other than those agreed to herein. However, should Mr. Stanton violate any provision of this Agreement, he may be subject to any available remedy for the violation.


ERIC M. STANTON

Dated: 10/23/2019


Eric M. Stanton


THE MAINE OFFICE OF THE ATTORNEY GENERAL

Dated: 11/4/19


Lisa A. Wilson
Assistant Attorney General

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: 11/5/19


Eric A. Cioppa
Superintendent of Insurance