

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In re: Harlan Karr, Jr.

Docket No.: INS No. 07-052-EP

Consent Order and Agreement

Upon investigation, the New Hampshire Insurance Department ("the Department") has determined that Harlan Karr, Jr. ("Respondent"), currently licensed as resident insurance producer pursuant to RSA 402-J:8, has violated the provisions of RSA 402-J:12, I (h) as follows:

INVESTIGATION FINDINGS AND ALLEGATIONS

A. At all times stated below, Respondent was an insurance producer for Stacy Guyette, a roofing contractor. In August 2005, Mr. Guyette contracted with Mike Panish to provide roofing services on Mr. Panish's house at 42 Cavender Road, Hancock, NH. Mr. Guyette was required under the contract to provide evidence of liability insurance. On August 8, 2005, Respondent faxed a false Certificate of Liability Insurance to Mr. Panish.

Additionally, Mr. Panish called the Respondent's office to verify that the insurance policy existed. The Respondent falsely stated that the liability coverage did exist.

B. In September 2005, Mr. Panish discovered a leak in the roof. The leakage caused substantial interior damage to the house. Mr. Panish filed a claim with the Respondent for the damage caused by the leakage. After several attempts to settle the claim with the Respondent, the Respondent informed Mr. Panish that there was not any insurance, contrary to his prior statement. Mr. Panish also contacted the insurer listed on the Certificate of Liability and received confirmation that no insurance policy existed.

C. RSA 402-J:12, I (h) states as follows:

I. The commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or may levy a penalty in accordance with RSA 400-A:15, III or any combination of actions for any one or more of the

following causes:

(h) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

AGREED ORDER

Having read and understood the above investigation findings and allegations and upon the advice of counsel, the Respondent consents and agrees to the following Order of the Commissioner:

1. After being informed of his right to a hearing under RSA 400-A:17 and RSA 541-A:31, the Respondent knowingly waives his right to a hearing on this matter.
2. Respondent shall pay an administrative penalty of Two Thousand Five Hundred Dollars (\$2,500) to the New Hampshire Insurance Department. This administrative penalty shall be paid by certified check, cashier's check or money order made payable to the Treasurer, State of New Hampshire.
3. Respondent shall sell his agency. His present producer license (#0355491) shall stay in effect until the completion of the sale. The Department shall monitor the sale of the business and Respondent's sales activities until the completion of the sale.
4. At the completion of the sale, the Respondent's producer license shall be limited to the sale of Life, Accident and Health insurance only. Further, this license shall be placed on probation for a period of one year.

(a) During the probation period, the Respondent's license may be immediately suspended by the Department if, following its investigation and determination, the Department finds that any subsequent complaint against Respondent is founded, and a statute or regulation as been violated.

(b) Respondent specifically waives his right to prior notice of such suspension. Within 10 days of any such suspension, the Respondent shall be given a hearing to determine whether his license should be reinstated, revoked, remain suspended or be subject to such other penalty as may be determined by the Commissioner.

5. Respondent's producer license shall be further limited in that Respondent shall be required to become and remain employed by or affiliated with an insurance agency.

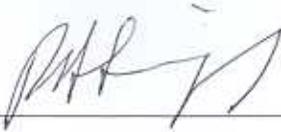
Respondent shall not handle client funds, including any payments for premiums or refunds. All fiduciary responsibilities relative to client funds shall be discharged by the agency. The proposed insured shall pay the premium either to the insurance carrier directly or to the agency. Premium refunds shall be paid to the agency or directly to the insured. Further, the Respondent shall not have signatory power on the agency premium trust fund.

6. This Order shall be fully enforceable in the State of New Hampshire in any Superior Court.

IT IS SO ORDERED.

NEW HAMPSHIRE INSURANCE DEPARTMENT
ROGER SEVIGNY, COMMISSIONER

Dated: 6-29-07



HARLAN KARR, JR.

Dated: 6-19-2007

