

PRESS RELEASE

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Attorney General and Insurance Commissioner Announce Conviction of Insurance Producer

October 10, 2007---Attorney General Kelly A. Ayotte and Insurance Commissioner Roger A. Seigny announced today the conviction of insurance producer David J. Burbine in the Strafford County Superior Court for one count of Forgery, under RSA 638:1.

Burbine, age 58, of Rye, NH, pled guilty to signing a client's name to a life insurance policy amendment that eliminated the disability rider on the policy. A disability insurance rider is an addendum to a policy that provides benefits should the policyholder become unable to work. The client did not give permission for Burbine to sign his name and was unaware that Burbine had done so. Subsequently, Burbine submitted this document to Chase Insurance as the purported act of the client. The crime was discovered when the client was injured and attempted to collect on the disability portion of the policy, but was told that the disability portion did not exist. When questioned by an Insurance Department Fraud Unit investigator, Burbine admitted to signing the client's name.

As a condition of the criminal sentence, Burbine was ordered to pay restitution to the client. The charge is a class B misdemeanor, which does not carry the possibility of a sentence of incarceration.

Burbine has been licensed as an insurance producer in New Hampshire since 1993 and has conducted business out of his home in Rye, NH. Under New Hampshire law, an insurance producer is an individual who is licensed under RSA 402-J to sell, solicit or negotiate insurance.

Attorney General Ayotte wants the public to know that “My office will vigorously investigate and prosecute crimes committed by licensed insurance producers in the course of their duties.”

This criminal conviction is the result of a joint investigation by the Attorney General’s Office and the Insurance Department Fraud Unit. Pursuant to RSA 417:23, the Fraud Unit was formed to investigate Insurance Fraud and other insurance-related criminal activity.

In a separate proceeding before the Insurance Department, Burbine’s insurance producer’s license was suspended for one year, pursuant to a consent agreement for violations of RSA 402-J:12, I. RSA 402-J:12, I provides that the Insurance Commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or may levy a penalty against an insurance producer who commits any of acts enumerated in that section. These acts include using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere and forging another's name to an application for insurance or to any document related to an insurance transaction. Burbine was also ordered to pay a \$2500 administrative penalty.

Commissioner Sevigny said, “This department will vigorously investigate and urge prosecution of crimes by insurance producers. Crimes by insurance producers hurt all insurance consumers by undermining confidence in the system. The public benefits when crimes by producers are halted or deterred by prosecution of this type of criminal activity.”

In 2001, Burbine was ordered to pay an administrative penalty of \$2500 by the Insurance Department for an incident where he accepted and cashed a client’s check under an automobile insurance binder, but did not place coverage on the vehicles.

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ABOUT THE NH INSURANCE DEPARTMENT

The first insurance regulator in the US, the NH Insurance Department was created in 1851 and charged with enforcing and administering New Hampshire’s insurance laws. The department, an agency of the executive branch of New Hampshire state government, conducts safety and soundness and market conduct examinations of licensees; licenses insurance companies, insurance producers and others; reviews premium rates and policy forms; provides assistance, information and referral services to New Hampshire insurance consumers; and administers the filing and collection of New Hampshire’s insurance premium tax. For more information, visit the New Hampshire Insurance Department’s web site at: www.nh.gov/insurance.