

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In Re: AARM

Docket No.: Ins. No. 09-041-EP

Consent Order and Settlement Agreement

To resolve the above-referenced matter, the New Hampshire Insurance Department (“NHID”) and AARM (“Respondent”) enter into this Consent Order, the terms of which are as follows:

WHEREAS, on June 25, 2009, the NHID issued an Order to Show Cause and Notice of Hearing (“Show Cause Order”) against the Respondent. The Show Cause Order was issued to determine whether the Respondent should be found in violation of RSA 420-J:12.

WHEREAS, the Show Cause Order set forth the following allegations:

1. The Respondent is a licensed Pennsylvania producer.
2. On November 5, 2008, the Respondent, via the National Insurance Producer Registry (“NIPR”), applied for a non-resident New Hampshire producer’s license.
3. The Respondent’s NIPR Application contained an Attestation Statement requiring the Respondent to certify and attest to eight discrete representations. The sixth representation in the Attestation Statement provided: “If required, I have received a Certificate of Good Standing from the jurisdiction’s Secretary of State in which I am applying.” The Respondent answered yes to each and every representation in the Attestation Statement, including the sixth representation, causing the NHID to conclude

that the Respondent was properly registered with the New Hampshire Secretary of State as required by New Hampshire's statutes governing business corporations.

4. In fact, the Respondent is not registered with the New Hampshire Secretary of State. Accordingly, the Respondent's representation that it had a Certificate of Good Standing from the New Hampshire's Secretary of State at the time it applied for its non-resident New Hampshire's producer's license was inaccurate¹. The Show Cause Order alleged the inaccurate representation constituted a violation of RSA 402-J:12.

WHEREAS, the matter was scheduled for hearing on July 30, 2009, but prior to hearing the parties entered into settlement negotiations; and

WHEREAS, the parties have agreed to resolve this matter without hearing in order to bring finality to the disputed issues.

NOW THEREFORE, for purposes of settling the above-referenced matter and in lieu of further administrative proceedings the Department and Respondent have reached an agreement as follows:

- A. The foregoing recitals are hereby adopted, incorporated into and made a part of this Settlement Agreement and Order.
- B. The Respondent knowingly waives its right to be heard at a hearing in this matter.
- C. The Respondent agrees to surrender its New Hampshire producer's license and reapply for registration with the New Hampshire Secretary of State's office. Once the Respondent has successfully applied for registration with the New Hampshire Secretary

¹ Since the issuance of the Show Cause Order, the Respondent has supplied the NHID with documentation showing that at the same time the Respondent applied for its New Hampshire producer's license it simultaneously applied for a Certificate of Good Standing from the New Hampshire's Secretary of State. The Secretary of State, however, rejected the Respondent's application because it determined the Respondent's name was too similar to a previously registered business. The Respondent has reapplied for a Certificate of Good Standing, but the Secretary of State has yet to approve the Respondent's application.

of State's office and has provided proof of such successful registration, the Respondent may reapply for a New Hampshire producer's license either through the New Hampshire Insurance Department or the National Insurance Producers Registry.

D. The Respondent does not admit to, and the Department does not allege, any willful violation of RSA 402-J:12, and nothing herein shall be so construed. The Respondent wishes to resolve this matter, being aware of the expense, consumption of time and uncertainty inherent in a hearing by entering into this Settlement Agreement and Order with the Department on the terms and conditions set forth herein.

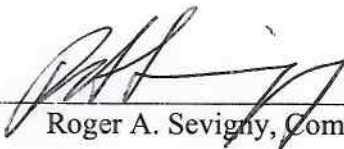
E. By entering into this Settlement Agreement and Order, the Department and the Respondent intend to resolve all issues relating to the matters raised in the Show Cause Order and this Settlement Agreement and Order shall be deemed a complete settlement and full and final resolution, and is in lieu of any other action that could have been taken by the Department relating to all matters raised in the Show Cause Order.

IT IS SO ORDERED.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 8-13-09

By: _____


Roger A. Sevigny, Commissioner

AARM

Date: 7/29/09

By: _____


Philip D. Leaman
(Printed Name of Authorized Person)

President / CEO
(Title of Authorized Person)