

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In re: Christopher S. Laws

No. 18-051-EP

PROPOSED DECISION AND ORDER

Introduction

The New Hampshire Insurance Department (“NHID”) on November 6, 2018 issued to Christopher S. Laws (“Respondent”) an Order to Show Cause and Notice of Hearing (“Order”). Respondent is a non-resident New Hampshire licensee (License #2309965). In its Order, the NHID provided Respondent notice of a hearing to be held on December 5, 2018 at 10:00 a.m. at the NHID offices in Concord, New Hampshire. It also sought the permanent revocation of the Respondent’s New Hampshire producer license and the imposition of fines not to exceed \$2,500 per violation of the laws and regulations of the NHID governing the conduct of such licensees.

The Hearing

Pursuant to that Order, a Hearing on the Merits was held on December 5, 2018 at approximately 10:00 a.m. at the noted location. The undersigned served as the hearing officer in the matter pursuant to Ins. 202.01(h); 204.04(c).¹ Sheri Eldridge, Esq., Deputy Enforcement Counsel for the NHID, represented the NHID at the hearing. Neither the Respondent nor any representative of the Respondent attended the Hearing. Moreover, no communication from Respondent or any representative of the Respondent was received by the NHID up until the time of the Hearing advising of a delay or that he was seeking a continuance of the Hearing. The hearing therefore proceeded in the Respondent’s absence at about 10:10 a.m. The Hearing was recorded pursuant to Ins. 203.01(d)(7) and RSA 400-A:19, VI, and was more generally conducted pursuant to the RSA 541-A (Administrative Procedure Act) and applicable insurance regulations. *See generally*, Chapter Ins 200, *et seq.*

At the Hearing, the NHID bore the burden of proving by a preponderance of the evidence that the Respondent committed the violations alleged, that the Respondent’s license should be permanently revoked, and that the Respondent should be fined. *See* Ins. 204.05. The hearing officer finds that the NHID, through the evidence proffered and based on the applicable statutes and regulations, met its burden in each of these respects.

¹ Any citation to regulations and/or statutes should not be understood as a waiver of the application of any relevant statute or regulation, whether cited or not. *See, e.g.*, RSA 400-A:23, II(a)(4)([The proposed Order shall contain] “[c]itation of the provisions of this title upon which the order is based; but failure to so designate a particular provision shall not deprive the commissioner of the right thereafter to rely thereupon.”).

Applicable Statutes

As to the relief it seeks, the NHID relies on several statutory provisions:

RSA 402-J:17, I (“A producer shall report to the commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within 30 days of the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.”);

RSA 400-A:16, II (“Any [licensee] shall, upon request of the commissioner, provide the commissioner with all documents and information relevant to any investigation under this section within 10 working days, or shall request within the 10 working-day period, for good cause shown, additional time to respond.”); and

RSA 402-J:12, I (b, h, i, and l) (“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: . . . (b) Violating any insurance laws, or violating any rule, regulation, subpoena, or order of the commissioner or of another state’s insurance commissioner[;] . . . (h) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[;] (i) Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory[;] . . . (l) Knowingly accepting insurance business from an individual who is not licensed.”).

Factual Findings

At the Hearing, the NHID introduced evidence that established the following facts through exhibits and witness testimony, relevant to the above statutory provisions:

Notice to the Respondent

1. As a preliminary matter, the NHID entered into evidence a copy of the letter sent to the Respondent on November 6, 2018,² which enclosed the Order. Ex. 1 at 1³. That letter also bore a certified mail “article number.” *Id.* That same article number is noted on the certified mail envelope containing the letter and enclosure. *Id.* at 11. The certified mail return receipt

² Given the date of the letter and its receipt, the NHID also easily satisfied the 10 day minimum advance notice requirement for hearings pursuant to RSA 400-A:18, I.

³ The page reference is to the Bates number located in the bottom right hand corner of each document in the NHID Exhibit volume.

“green card” bears the same article number and also bears the signature of a recipient at the indicated address. *Id.* at 12.

2. The NHID additionally sent the same letter and enclosure *via* first class US mail, and averred that it had not been returned as undeliverable. *See, also, id.* at 14.

3. Lastly, the letter, each of the envelopes, and the “green card” all bore the same address in Georgia. *Id.* at 1, 11-13. That address was confirmed to be the “principal place of business or residence as last of record in the department.” *See* RSA 400-A:14(c); Ex. 2 at 17.

Respondent’s Licensure and Relevant Course of Conduct

4. The Respondent was first licensed as an insurance producer in New Hampshire on February 3, 2015. Ex. 2 at 17. He was licensed to sell life, accident, health, and variable contracts insurance. *Id.* at 18. He renewed that license on March 1, 2017, which now expires on February 28, 2019. *Id.*

5. Generally, as to a producer licensed in any state, including New Hampshire, the NHID is able to access a central repository (an “attachment warehouse”) into which states voluntarily submit records of administrative actions taken involving insurance producers in their states, whether they are resident or non-resident licensees. Ex. 4. The states do this in part so they can also access information about their own licensees, including when administrative actions have been taken against them by another state.

6. All of the states at issue in this matter, including New Hampshire, also require that a licensee report to their respective commissioners any administrative matters involving that licensee within 30 days of the final disposition of the matter. RSA 402-J:17, I; *see also* Ex. 11 (producer reporting website).

7. Finally, licensees also agree in their National Insurance Producer Registry (NIPR) standardized application for licensure, in addition to the requirements of the applicable statutes and regulations, to abide by “the insurance laws and regulations of the jurisdiction to which I am applying for licensure” and certify that “upon request, I will furnish the jurisdiction(s) to which I am applying, certified copies of any documents attached to this application or requested by the jurisdiction(s).” Ex. 3 at 21, “Attestation” at ¶ 6.

8. The record establishes that there were a number of administrative actions involving the Respondent in multiple states, including him being fined as well as having his licenses suspended and/or revoked, but the Respondent repeatedly failed timely to report such matters to NHID as required by law or, in some cases, failed to report them at all. The record further establishes that the Respondent failed to respond to the NHID’s request that he post all

relevant documents from the administrative actions to the producer reporting website (Ex. 11) or to provide further information about the administrative actions. Ex. 12. A summary of each action follows.

9. On August 2, 2017, the Respondent entered into a Settlement Stipulation with the Florida Insurance Department (“Florida”) by which his insurance license was suspended for 18 months. Ex. 5. In the Stipulation, Florida asserted the Respondent aided and abetted an unlicensed person in the sale of insurance, made material misstatements on a universal life insurance application and on an annuity application, and demonstrated a lack of fitness and trustworthiness to engage in insurance sales. *Id.* at 30-31.

10. The Respondent never reported this administrative action to the NHID, contrary to RSA 402-J:17, I. *See* Ex. 11. The Respondent also failed to respond to the NHID’s request for him to post the applicable documents to the producer reporting website, and further to provide a written explanation of the facts and circumstances of the matter, contrary to RSA 400-A:16, II. *See* Ex 12.

11. On December 15, 2017, the State of Washington Insurance Department (“Washington”) revoked the Respondent’s insurance license. Ex. 6 at 34-35. The bases for doing so were: the the Respondent failed timely to report the Florida suspension; that the Respondent failed or refused to respond to a reminder from Washington that he was required to report such administrative actions; and the fact that his license was suspended by another state. *Id.* at 35.

12. The Respondent did not report this administrative action to the NHID until 7 months later, on July 10, 2018, contrary to RSA 402-J:17, I. Ex. 11.

13. On March 7, 2018, the Louisiana Department of Insurance (“Louisiana”) fined the Respondent \$250, payable in 30 days, for failing to report the Florida and Washington actions on his application for renewal of his insurance license. Ex. 7.

14. The Respondent did not report this administrative action to the NHID until 4 months later, on July 10, 2018, contrary to RSA 402-J:17, I. Ex. 11. Moreover, the Respondent failed to respond to the NHID’s request that he post the relevant documents to the producer reporting website contrary to RSA 400-A:16, II. *See* Ex 12.

15. On March 14, 2018, the State of Alaska Division of Insurance (“Alaska”) issued an Order following the Respondent’s February 19, 2018 application for renewal of his Alaska producer license. Ex. 8. It noted the Respondent answered “no” to the application question whether the applicant had ever been named or involved in an administrative proceeding which has not been previously reported. *Id.* at 48, ¶ 5. However, following an investigation, Alaska

found that the Respondent failed to report or disclose the actions in Florida and Washington, and also found additional violations of Alaska's insurance regulations. *Id.* at ¶ 6.

16. First, it found that the Respondent allowed unlicensed individuals to solicit and sell insurance products to Alaska residents in violation of Alaska law. *Id.* at ¶ 7. Second, it found the Respondent falsely asserted in documents provided to an insurer that he, rather than the unlicensed individual, was the seller of the insurance products. *Id.* at ¶ 8. Finally, the investigation revealed that the Respondent was representing and conducting insurance transactions for American Benefits Advisors, which was not licensed to do business in Alaska.

17. Alaska therefore denied the application for renewal. *Id.* at 50, ¶ 13. The Respondent sought neither a hearing nor an appeal of the matter and the Order is therefore a final judgment. Nor did the Respondent report the matter to the NHID for 5 months, or until August 20, 2018, contrary to RSA 402-J:17, I.

18. The Respondent also failed to respond to the NHID's request for him to provide a written explanation of the facts and circumstances of the matter contrary to RSA 400-A:16, II. *See* Ex 12.

19. On June 6, 2018, Louisiana suspended the Respondent's license for failure to pay the administrative fine assessed by order dated March 7, 2018, requiring payment no later than 30 days after assessment. The Respondent then apparently paid the fine and was reinstated. Ex. 7 at 46.

20. The Respondent failed to report any of the Louisiana proceedings to the NHID until July 10, 2018, approximately 4 months after the fine was imposed and approximately 34 days after the suspension, contrary to RSA 402-J:17, I.

21. On July 16, 2018, the North Carolina Department of Insurance ("North Carolina") entered into a "Voluntary Settlement Agreement" with the Respondent. Ex. 9. The underlying allegation was that the Respondent failed timely to report the Florida administrative action suspending his license, which violation the Respondent admitted. *Id.* at 53-54. The Settlement imposed a \$250 fine, payable immediately. *Id.* at 54. The Respondent did report the matter to the NHID within the 30 day deadline for doing so.

22. On July 24, 2018 the South Dakota Division of Insurance ("South Dakota") issued a Final Decision in which it revoked the Respondent's insurance license. Ex. 10. It adopted the findings of fact proposed by a Hearings Examiner following a hearing, which hearing utilized a clear and convincing standard of proof. *Compare* Ins. 204.05 (preponderance of the evidence standard). Those findings included that the Respondent was the subject of an administrative proceeding leading to a revocation of his license in another state and failed to

report that matter, and further failed to respond to the Division's inquiries concerning the matter. *Id.* at 59. It also found that the Respondent "used fraudulent, coercive, or dishonest practices, or demonstrated incompetence or untrustworthiness in the conduct of his business." *Id.* at 60.

23. The Respondent sought neither a hearing nor an appeal of the Final Decision and it is therefore a final judgment.

24. The Respondent also failed to report the South Dakota matter to the NHID and failed to respond to NHID's request that he post all relevant documents from the administrative actions to the producer reporting website, in violation of both RSA 402-J:17, I and RSA 400-A:16, II.

25. On October 5, 2018, the NHID sent a letter and e-mail to the Respondent requesting information and documents pertaining to the Florida and Alaska proceedings. Ex. 12. The letter was addressed to the Respondent's "principal place of business or residence as last of record in the department." *See* RSA 400-A:14(c); Ex. 2 at 17. The Respondent never responded to the request.

Conclusions of Law

1. The NHID has jurisdiction over the Respondent in his capacity as a New Hampshire licensed insurance producer, and authority to enforce the insurance statutes and regulations relied upon in this proceeding.

2. The NHID bore the burden to establish by a preponderance of the evidence that the Respondent violated the statutes and regulations cited herein and upon which it relied.

3. The NHID established by a preponderance of evidence that the Respondent repeatedly and knowingly violated RSA RSA 402-J:17, I in failing timely to report various administrative actions taken against the Respondent in other jurisdictions within 30 days of the final disposition of the relevant matter.

4. The NHID established by a preponderance of evidence that the Respondent knowingly violated RSA 400-A:16, II respecting multiple matters, in failing timely to provide all documents and information relevant to the administrative matters despite requests from the NHID that he comply with this requirement.

5. The NHID established by a preponderance of evidence that the Respondent repeatedly violated RSA 402-J:12, I (b), by violating the insurance laws, rules, regulations, and/or order of the commissioner of another state in multiple states.

6. The NHID established by a preponderance of evidence that the Respondent knowingly violated RSA 402-J:12, I in using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere, including without limitation as provided in final orders from Florida, Alaska and South Dakota.

7. The NHID established by a preponderance of evidence that the Respondent violated RSA 402-J:12, I in that his insurance producer license was denied, suspended, and revoked in other states.

8. The NHID established by a preponderance of evidence that the Respondent violated RSA 402-J:12, I (l) in knowingly accepting insurance business from an individual who is not licensed, including as found in a final order from Alaska.

9. The NHID established by a preponderance of evidence that the Respondent has repeatedly and knowingly violated various statutes and regulations governing the conduct of insurance licensees in New Hampshire, as discussed within.

10. The Respondent's course of conduct, separate and apart from the underlying individual violations themselves, demonstrates the Respondent's incompetence or untrustworthiness in the conduct of his business, and further demonstrates a clear disregard or disdain for the rules and regulations that apply to protect consumers in this and other states in which the Respondent was licensed. His failure to appear at the Hearing or to respond in any way to the allegations presented underscores that conclusion.

11. Given the record and applicable law, the NHID has established by a preponderance of evidence that the Respondent's license should be permanently revoked.

12. New Hampshire law also provides that “[a]ny person who knowingly violates any statute, rule, regulation, or order of the commissioner may, upon hearing, except where other penalty is expressly provided, be subject to such suspension or revocation of certificate of authority or license, or administrative fine not to exceed \$2,500 per violation, as may be applicable under this title for violation of the statute or the provision to which the rule, regulation, or order relates.” *See* RSA 400-A:15, III; *see also* RSA 402-J:12, 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.”) (emphasis added).

13. A request for the imposition of a fine shall be supported by a preponderance of the evidence. Ins 204.05(d).

14. The NHID has established by a preponderance of evidence that the Respondent knowingly violated the insurance laws and regulations of the state of New Hampshire in failing timely to report administrative actions from five other states, even after the commissioner reminded the Respondent of his obligation to comply with the licensee's reporting requirement. The hearing officer recommends a fine of \$500 per reporting violation for each of the five states (for a total of \$2,500).

15. The hearing officer further recommends a fine of \$2,500 for the Respondent's continued failure and refusal to provide all relevant documents from the Florida, Louisiana, and South Dakota matters, and for failing to provide a written explanation of the Florida and Alaska matters, all of which were requested by the Commissioner.

PROPOSED DECISION

The New Hampshire insurance producer license of Christopher S. Laws should be permanently revoked.

Christopher S. Laws should be fined, as detailed above, in the total amount of Five Thousand Dollars (\$5,000.00).

Respectfully submitted,



Kevin G. Collimore, Esq.

Hearing Officer

Dated: December 7, 2018