

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In Re: Brent A. Norris

Docket No.: Ins. No. Docket 17-029-EP

Consent Order

This Consent Order ("Consent Order") is made between the New Hampshire Insurance Department ("NHID") and Brent A. Norris ("the Respondent"), the terms of which are as follows:

1. The Respondent acknowledges that he received proper notice of his rights to a formal administrative hearing pursuant to the Administrative Procedure Act, RSA 541-A:31.
2. The Respondent hereby waives all rights to a formal administrative hearing in this matter and agrees that this Consent Order, contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures provided for in the Administrative Procedure Act, RSA 541-A:31, or any other applicable law.

FINDINGS OF FACT

3. The NHID finds true and correct each of the following Findings of Fact:
 - a. The Respondent is a resident New Hampshire insurance producer licensed to sell property and casualty insurance products and surplus lines products. At all relevant times the Respondent was the Designated Responsible Licensed Producer ("DRLP") of record for Stewart LTD Insurance Management ("Stewart Agency") in Raymond, NH.
 - b. Mr. and Mrs. M ("the M's") are New Hampshire insurance consumers. They have been clients of the Stewart Agency for approximately ten years.
 - c. On January 23, 2013, the M's learned that their current insurance company, Peerless Insurance Company ("Peerless"), was to cease writing personal lines policies, i.e., automobile and homeowners policies. At the same time they learned that Safeco Insurance Company of America ("Safeco") was offering coverage for their automobiles

and home when their current policy expired on March 18, 2013. The M's were also informed that they could take advantage of Safeco's billing plan discount if they paid the annual premium in one lump sum prior to March 18, 2013.

- d. After discussing their options with the Respondent, the M's agreed to insure their home, automobiles and boat through Safeco and opted to pay the annual premium in full.
- e. Unbeknownst to the M's, on March 8, 2013, the Respondent requested that Safeco change the M's billing plan for their automobile and homeowner policies from a full annual payment to a monthly premium payment. The Respondent also requested that Safeco suppress paper billings to the M's. By suppressing the billing statements, the M's would not receive a monthly payment notice and would not learn that their payment plan had been changed from an annual premium payment to monthly premium payment. Neither policy change was authorized by the M's.
- f. On March 20th, 2013 Mrs. M paid the Stewart agency two-thousand dollars (\$2,000) as partial payment for the annual premium. On April 25, 2013 Mrs. M paid the Stewart Agency another four hundred eighty-two dollars (\$482) for what she believed was the remainder of her annual insurance premium for the Safeco policy. Both checks were deposited into the Stewart Agency premium trust account.
- g. On March 24; April 23; May 18; June 18; and July 18, 2013 Safeco billed the M's for their monthly premium payments. As no paper bills were sent, the M's were completely unaware that Safeco was billing them monthly.
- h. However, during this same time period the M's did receive three cancellation notices for nonpayment of premium from Safeco dated May 24, 2013; June 24, 2013; and July 24,

2013. These cancellation notices informed the M's that if payments were not received by a certain date, the policies would cancel.

- i. Confused regarding the notices, the M's, still operating under the belief that they had paid for the full year, contacted the Respondent. The Respondent erroneously told them that the reason they were receiving the cancellation notices was because Safeco was not "sweeping" his premium trust account. It was later learned through the NHID's investigation that Safeco did not have the ability to "sweep" the Stewart Agency's premium trust account.
- j. The Respondent made three payments to Safeco to cover the M's monthly premium payments. Two of these payments were late and incurred additional fees.
- k. The Respondent did not pay the July 2013 premium payment and Safeco cancelled the M's home and auto coverage effective August 7, 2013.¹ The M's were unaware that their insurance policies had cancelled. As they were no longer receiving cancellation notices, the M's assumed, incorrectly, that the Respondent had finally resolved payment matters with the company.
- l. Upon learning that the M's policies had cancelled for non-payment, the Respondent attempted to have the Safeco policies reinstated. Learning that this was not possible, the Respondent, on his own and without the authority or knowledge of the M's, placed their home and auto insurance with the York Insurance Company of Maine ("York").
- m. In order to conceal from the M's that he had established a new policy with York, the Respondent directed that the insurance company send all communications to the Stewart

¹ On August 14, 2013 Safeco notified the M's mortgage company that their insurable interest in the home owners policy would cancel effective September 8, 2013 and also notified their automobile loan-holders that their insurable interest in the automotive policies would cancel effective August 29, 2013.

Agency. When question by the company as to why communications were to go to the Agency and not directly to the customer, the Respondent told York that the M's traveled extensively and this was a way to keep "on top" of things for them. This statement was not true.

- n. On January 17, 2014, Mrs. M was involved in a motor vehicle accident. After the accident she contacted Safeco, only to learn that her policy with them had cancelled back in August. Then, through her own research, Mrs. M for the first time discovered that she actually had an automobile policy through York.
- o. When speaking with the Respondent after the accident he initially told Mrs. M that she was covered through Safeco. Later he told Mrs. M that over the prior summer he sent her a letter indicating the switch to York. No letter was ever sent and the M's were never informed that the Respondent had established insurance with York.
- p. In an interview with Deputy Enforcement Counsel Mary Bleier and Senior Enforcement Examiner Donald Belanger, the Respondent admitted to establishing the York policy without the M's knowledge.

CONCLUSIONS OF LAW

- 4. In accordance with the above Findings of Fact and the applicable provisions of law, the NHID concludes and finds the following Conclusions of Law:
 - a. The Respondent is subject to the jurisdiction of the New Hampshire Insurance Department.
 - b. NH RSA 402-J:12, I, (h) states that, "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 "(u)sing fraudulent, coercive, or dishonest practices, or demonstrating incompetence,

untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.”

- c. The Respondent admits that by allowing the Safeco policy to cancel effective August 7, 2013 he left the M’s without insurance coverage for their automobiles and their home in violation of NH RSA 402-J:12 I, (h).
- d. The Respondent admits that by establishing a York policy without the M’s authorization he violated NH RSA 402-J:12 I, (h).
- e. The Respondent admits that by incorrectly misrepresenting to York that the consumers wanted all communications to be sent to the Stewart Agency because the insured traveled, he violated NH RSA 402-J:12 I, (h).
- f. The Respondent admits that his actions after the January 17, 2014 accident when he incorrectly told the M’s that he sent a letter informing them of the policy change from Safeco to York he violated NH RSA 402-J:12 I, (h).

ORDER

5. In accordance with the Findings of Fact and Conclusions of Law, the NHID orders and the Respondent consents to the following:

- A. The Respondent’s acts, while egregious, are mitigated by several factors including his lack of prior complaint history; admissions to the violations; remorsefulness; and that the consumer was covered at the time of the accident.
- B. The Respondent acknowledges that his conduct as described above violated RSA 402-J:12 I, (h) and agrees to a six month suspension of his New Hampshire insurance producer license.
- C. Additionally, the Respondent agrees to pay an administrative fine in the amount of ten thousand hundred dollars (\$10,000)². The check must be made payable to “Treasurer, State of New Hampshire,” and should be mailed or hand-delivered to the attention of

² Two thousand five hundred dollars (\$2500) per violation of NH RSA 402-J:12, I (h).

Carolyn Petersen, New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, New Hampshire 03301.

- D. In the event that the Respondent fails to meet any of the terms set forth in the preceding paragraph, the NHID may institute proceedings to revoke the Respondent's New Hampshire insurance producer's license based on his failure to comply with the terms and conditions of this Consent Order.
- E. By entering into this Consent Order, the NHID and the Respondent intend to resolve all issues relating to the above-mentioned matters. This Consent Order shall be deemed a complete settlement and full and final resolution, and is in lieu of any other action that could have been brought by the NHID relating to matters disclosed herein. Provided however, notwithstanding the foregoing, the NHID may take any and all appropriate actions should the Respondent violate any provision of the State's insurance laws in the future.
- F. This Consent Order shall be fully enforceable in any Superior Court in the State of New Hampshire, and any action to enforce this Consent Order shall be governed by the laws of the State of New Hampshire.

IT IS SO ORDERED.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 7-19-17



Roger A. Sevigny, Commissioner

Date: 7/18/17



Brent Norris