



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261 Fax (603) 271-1406
TDD Access: Relay NH 1-800-735-2964

**Alexander K. Feldvebel
Acting Commissioner**

February 4, 2020

VIA FIRST-CLASS & CERTIFIED MAIL: 7008 1830 0000 3912 1036

VIA EMAIL: csachs@lakeregionemployeebenefits.com

Colin Sachs

P.O. Box 754

Naples, ME 04055-0754

Re: Order to Show Cause & Notice of Hearing
Docket No.: INS No. 20-006-EP

Dear Mr. Sachs:

Enclosed please find an Order to Show Cause and Notice of Hearing issued by Acting Commissioner Alexander Feldvebel.

A hearing in this matter has been scheduled on **March 24, 2020 at 10:00 a.m.** at the New Hampshire Insurance Department located at 21 South Fruit Street, Suite 14, Concord, NH. You may find driving directions and additional information on our website at <http://www.nh.gov/insurance>.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Bleier".

Mary C. Bleier, Esq.
Compliance & Enforcement Counsel

MCB/sp

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In re: Colin Sachs

Docket No.: INS No. 20-006 -EP

**ORDER TO SHOW CAUSE
AND
NOTICE OF HEARING**

The New Hampshire Insurance Department (“NHID”) orders Colin Sachs (“Respondent”) to show cause why the New Hampshire Insurance Commissioner should not suspend or revoke his New Hampshire non-resident insurance producer license, or levy an administrative fine, or both. In support of the Order to Show Cause and pursuant to RSA 541-A:31, RSA 400-A:17 *et seq.* and Ins Part 200, the NHID states as follows:

STATEMENT OF FACTS

1. The Respondent is a former non-resident New Hampshire insurance producer who last resided at PO Box 754 Naples, ME 04055-0754. He licensed in New Hampshire from July 11, 2013 until his license expired on February 28, 2019 for non-renewal. He was previously licensed to sell life and accident and health or sickness insurance products.
2. On February 12, 2019, American Family Life Insurance Company of Columbus (“AFLAC”) notified the NHID that they had terminated the Respondent for cause, alleging that he had fraudulently filed medical claims. The Respondent had been an appointed producer for AFLAC from September 23, 2013 until his termination on February 11, 2019.
3. On September 5, 2014, the Respondent was issued an AFLAC Hospital Confinement Indemnity insurance policy.
4. On September 9, 2015 the Respondent was issued and AFLAC Accident-Only insurance policy.
5. During the course of an internal investigation, AFLAC learned that from June 27, 2018 through September 19, 2018 the Respondent had submitted several indemnity claims for benefits related to a broken leg allegedly occurring on or about June 26, 2018 as a result of a badminton accident.
6. The claim submissions to AFLAC included supporting documentation that the Respondent received treatment at St. Mary’s Regional Medical Center. These claims ultimately resulted in AFLAC making payments to the Respondent totaling \$33,010.

7. On August 2, 2018, the Respondent contacted AFLAC customer service to inquire about benefits under his policies and to check on the status of a denied claim. During the recorded conversation with the AFLAC representative, the Respondent stated that he had broken his leg and undergone multiple surgeries.
8. Later, when AFLAC sought to confirm the claims submitted by the Respondent, they learned that St. Mary's Regional Medical Center had no record that the Respondent had been a patient, that the medical records and account numbers were associated with other patients, and the providers listed as orthopedic surgeons, were in fact not.
9. On January 22, 2019 in an interview with AFLAC SIU Investigators, the Respondent denied ever breaking his leg, submitting claims or receiving any payments from AFLAC.
10. On January 31, 2019, in a subsequent interview with AFLAC SIU Investigators, the Respondent admitted to calling the AFLAC call center inquiring about having unpaid benefits due to a broken leg. The Respondent claimed that he filed the false claims at the urging of his ex-wife.
11. The Respondent also told AFLAC investigators that he had been previously employed by the Maine Bureau of Insurance (Maine BOI). Records from the state of Maine show that the Maine BOI never employed the Respondent.
12. The Respondent's bank records show that the AFLAC claim payments were deposited into the same bank account in which the Respondent's AFLAC commission payments were also deposited.
13. On March 7, 2019, in a response to an inquiry from the Maine Bureau of Insurance, the Respondent stated that he was unaware of reasons for his termination, as he did not break his leg. The Respondent also claimed that he was aware that multiple claims were submitted on his behalf or that the claims payments had been made to his bank account.

STATEMENT OF ISSUES

14. Whether Respondent violated RSA 402-J:12, I(h) for using fraudulent or dishonest practices or being untrustworthy in the conduct of business for submitting fraudulent claims to AFLAC in order to receive claim payments.
15. Whether the Respondent violated RSA 402-J:12, I(h) by falsely claiming to have been employed by the Maine BOI.
16. Whether Respondent violated RSA 402-J:12, I(d) for misappropriating or converting money in the course of doing insurance business by collecting claim payments he knew were fraudulently obtained.

17. Whether Respondent violated RSA 402-J:12, I(g) for admitting to having committed fraud by conceding that he fabricated a broken leg in order to collect indemnity claim payments from AFLAC.

NEW HAMPSHIRE INSURANCE LAWS VIOLATED BY RESPONDENT

18. The NHID maintains that Respondent violated RSA 402-J, I(h), RSA 402-J:12, I(d) and RSA 402-J:12, I(g)
19. The NHID reserves the right to amend this list of insurance laws violated by the Respondent upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

PENALTY REQUESTED

20. In the event the Hearing Officer determines after evidentiary hearing that the NHID sustained its burden of proof with respect to the allegations of fact and violations of law outlined above, the NHID request that the Hearing Officer,
 - (i) Order revocation of the Respondent's New Hampshire non-resident insurance producer license and;
 - (ii) Levy an administrative fine in the maximum amount allowed by law.

NOTICE OF HEARING

21. An adjudicatory proceeding shall be commenced for the purpose of resolving the issues articulated above pursuant to RSA 541-A:31, RSA 400-A:17 *et seq.* and Ins 200. To the extent that the Department's rules do not address an issue of policy or procedures, the Department shall apply the N.H. Department of Justice Rules, Part 800.
22. The Respondent shall appear at Department on **March 24, 2020 at 10:00 am**, at the Department's office located at 21 South Fruit Street, Suite 14, in Concord New Hampshire to participate in this adjudicatory proceeding and, if deemed appropriate, be subject to sanctions pursuant to RSA 402-J:12, I and RSA 400-A:15, III. Respondent's failure to appear at the time and place specified above may result in the hearing being held *in absentia* and sanctions may be imposed without further notice or an opportunity to be heard.
23. Michelle Heaton Esq. is appointed to act as Hearing Officer in this matter with all the authority within the scope of RSA 400-A:19 and Ins 203.01.
24. Linda Zalinskie shall serve as clerk to the Hearing Officer. The parties should direct all communications to Ms. Zalinskie, whose contact information is:
Linda Zalinskie, Clerk
New Hampshire Insurance Department

21 South Fruit Street, Suite 14
Concord, NH 03301
Tel: (603) 271-2261
Fax: (603)271-1406
Email: linda.zalinskie@ins.nh.gov

25. The Respondent has the right to be represented by a lawyer in this proceeding. However, the Respondent shall bear the cost of retaining said lawyer. Should the Respondent elect to retain a lawyer, his lawyer shall file a Notice of Appearance with Ms. Zalinskie, and said lawyer should do so at the earliest possible date. A copy of the NHID's Notice of Appearance form is enclosed with this Order.
26. Any party may request a transcript of the proceeding. The party requesting a transcript of the proceedings shall file a written request for a certified court reporter with the Hearing Officer at least 10 days prior to the scheduled hearing date. The costs incurred for the services of a certified court reporter shall be borne by the requesting party.
27. Mary C. Bleier, Esq. and/or Joshua Hilliard shall serve as staff advocates representing the interests of the NHID.
28. All routine procedural inquiries may be made by contacting Linda Zalinskie, Hearing Clerk, New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord NH 03301, (603) 271-2261, but that all other communications with the Hearing Officer and the Commissioner shall be in writing and filed as provided above. *Ex parte* communications are forbidden by statute and the Department's regulations.
29. A copy of this hearing notice shall be served upon Respondent by certified mail addressed to the mailing address on file with New Hampshire Insurance Department. *See*, RSA 400-A:14.

It is **SO ORDERED**.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 2/3/2020


Alexander Feldvebel,
Interim Insurance Commissioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Order to Show Cause and Notice of Hearing was sent this date by first-class mail, postage prepaid, and by certified mail, return receipt requested, to Colin Sachs at PO Box 754 Naples, ME 04055-0754, this being his last mailing address on file with the Department.

Date: 2/4/2020

M. Bleier
Mary C. Bleier, Esq.

NEW HAMPSHIRE INSURANCE DEPARTMENT

ATTORNEY APPEARANCE or WITHDRAWAL

Docket No. (if known): _____

Respondent Name or Case Name: _____

APPEARANCE

WITHDRAWAL

Please **ENTER** my appearance as
Counsel for _____

Please **WITHDRAW** my appearance as
Counsel for _____

I confirm that neither I nor any member of my
law firm have been retained by the Department
of Insurance or the Commissioner of Insurance.

Notice of Withdrawal sent to my client on:
_____ at the following address:

I hereby certify that I provided a copy of this original request to the Department and a copy to all other known parties to this matter in accordance with Ins 204.09.

Signed: _____

Name: _____ NH Bar #: _____

Firm Name: _____ Email: (see also below) _____

Physical Address: _____

Mailing Address (if different): _____

Phone: _____

Email Consent: By checking this box, I consent to delivery by email in accordance with Ins 204.09(c). Please send communications and documents to the above email address.

Date: _____ Signature: _____

If you do not consent to delivery by email, all communications will be sent to you by personal delivery at your physical address or by United States Postal Service first class mail to your mailing address.