

**New Hampshire
Secretary of State**



**New Hampshire
Insurance Department**

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New Hampshire’s Insurance Department and Secretary of State Reach Settlement with Northwestern Mutual

*Numerous, unlawful emails were sent from Northwestern Mutual branch offices in
New Hampshire.*

CONCORD, NH (September 5, 2023) – The New Hampshire Insurance Department and Secretary of State David M. Scanlan announce that the Insurance Department and the Secretary of State’s Bureau of Securities Regulation have settled two cases against Milwaukee, Wisconsin based Northwestern Mutual for failing to supervise its agents.

Under the settlement, Northwestern Mutual Life Insurance Company must pay a \$200,000 fine to the Insurance Department, and Northwestern Mutual Investment Services must pay a \$175,000 fine plus investigative costs of \$25,000 to the Bureau of Securities Regulation. Northwestern Mutual has also been issued a cease-and-desist order.

Beginning in 2021, the New Hampshire Insurance Department’s Enforcement Division and the Secretary of State’s Bureau of Securities Regulation started an investigation of Northwestern Mutual’s New Hampshire branch offices. During the investigation, the State of New Hampshire discovered that some Northwestern Mutual agents in those offices sent tens of thousands of emails to states where they were not licensed to do business and misrepresented their experience and client base to prospective clients.

The agents also sent numerous, unlawful communications to states where they were not licensed to do business.

“The New Hampshire Insurance Department expects licensed producers to be honest and forthright in all their interactions with potential consumers, including via e-mail solicitation,” said Joshua Hilliard, Compliance and Enforcement Counsel at the New Hampshire Insurance

Department. “Our collaborative effort with the Bureau of Securities Regulation sends a clear message that regulatory standards must be upheld for producers and investment advisors.”

Jeff Spill, Deputy Director of the New Hampshire Bureau of Securities Regulation, added: “Securities rules regarding mass communications with the public are tightly regulated to protect the consumer. They must be reviewed and thoroughly vetted prior to distribution. That didn’t happen in this case, but the Bureau and the Insurance Department stopped further distribution of unsolicited emails and will continue to monitor Northwestern Mutual over the next year to ensure they improve their surveillance systems”.

As part of the settlement with the State of New Hampshire, Northwestern Mutual will explore whether a technological solution exists that identifies instances where their representatives send similar advertising emails on a mass scale to prospects and whether their representatives are licensed in the states in which they intend to send the emails.

Northwestern Mutual will report its progress to the Insurance Department and the Bureau of Securities Regulation, quarterly, for one year. It is also required under the settlement to provide additional guidance to its registered representatives, reminding them of their obligation to disclose Mass Solicitation Emails to the Northwestern Mutual Marketing Materials Compliance Unit prior to sending them. Northwestern Mutual must ensure that all public communications are accurate, do not mislead prospects, and do not solicit prospects residing in states where the registered representative does not hold a securities license.

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