

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

In re:

Hope F. Gabric

**Maine License No. PRR 128534
National Producer No. 8835222**

CONSENT AGREEMENT

Docket No. INS-16-205

Hope F. Gabric, a licensed Maine resident insurance producer, the Maine Superintendent of Insurance, and the Office of the Maine Attorney General hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without an adjudicatory proceeding, violations of the Insurance Code for which the Superintendent may impose discipline pursuant to 24-A M.R.S. §§ 1417 and 1420-K.

PARTIES

1. The Superintendent is the official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction. The Superintendent has jurisdiction over this matter pursuant to 24-A M.R.S. §§ 12-A and 211.
2. Hope F. Gabric has been licensed in Maine as an insurance producer with Property and Casualty authority since June 20, 2006. Her Maine Producer Number is PRR 128534. Her National Producer Number is 8835222.

STATUTORY AUTHORITY

3. Under 24-A M.R.S. §§ 12-A and 1420-K and 10 M.R.S. § 8003(5)(A-1), the Superintendent may issue a warning, censure, or reprimand to a licensee, may suspend, revoke or refuse to renew the license of a licensee, may impose conditions of probation on a licensee, may levy a civil penalty against a licensee, or may take any combination of such actions, for violating any insurance laws, or violating any rule, regulation, subpoena, or order of the Superintendent. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve a complaint by entering into a consent agreement with a licensee and the Attorney General.

FACTS

Client S.M.

4. In January of 2015, Ms. Gabric began working with client S.M. to obtain homeowners insurance for a new property and to replace S.M.'s existing auto insurance policy.
5. All communications between S.M. and Ms. Gabric were by telephone or email. Ms. Gabric and S.M. never met in person.
6. Several days after presenting the homeowners and auto quotes, Ms. Gabric emailed the application paperwork for the auto and homeowners coverage, which was to be issued by Standard Fire Insurance Company ("Travelers") and York Insurance Company of Maine ("Tower"), respectively, to the insured.
7. S.M. completed the Travelers and Tower applications, a Travelers EFT Form, and a cancellation request for his prior auto insurance carrier. All of the documents were dated January 20, 2015, signed by the insured, and dropped off at the Dawson Insurance Agency, Ms. Gabric's employer, with a premium check for the Travelers auto policy.
8. Both policies were to become effective after the closing on S.M.'s purchase of a house on January 29, 2015, so Ms. Gabric retained the paperwork while waiting for the premium check from S.M.'s escrow account.
9. On January 29, 2015, the insured closed on the purchase of his house, and his closing agent issued a check to the Dawson Insurance Agency for the first year's premium on the Tower homeowners insurance policy. Ms. Gabric states that the Tower premium check was received in mid-February and that the intent was to upload the applications and apply the checks for S.M.'s home and auto coverage.
10. In fact, the Tower and Travelers paperwork, the cancellation request, and the checks were misfiled in another client's file and were not processed as planned. Because of this misfiling, S.M.'s original auto coverage was still in force and he was without homeowners insurance.
11. Within approximately one month after signing the Travelers application, S.M. contacted Ms. Gabric to report that a premium payment for his prior auto insurance carrier had been withdrawn from his bank account. Ms. Gabric said that she would look into it.
12. On May 6, 2015, Camden National Bank, the mortgagee for S.M.'s new house, contacted Ms. Gabric at the Dawson Insurance Agency to obtain a copy of the homeowners insurance policy. Ms. Gabric realized that the coverage had not been issued and that the file was misplaced; however, she did not find the file, and she states that it subsequently slipped her mind.

13. On June 26, 2015, Camden National Bank again contacted Ms. Gabric to obtain a copy of the Tower homeowners insurance policy.
14. Ms. Gabric located S.M.'s misfiled paperwork on or about June 26, 2015 and immediately tried to establish valid coverage.
15. On June 26, 2015, Ms. Gabric altered the date of the insured's signature on the Travelers auto insurance application from 1/20/15 to 6/20/15. She then uploaded the application to Travelers electronic system. Ms. Gabric altered the date on the application to avoid questions from Travelers about the amount of time that had elapsed between the signing and the issuance of coverage.
16. For S.M.'s homeowners insurance, Ms. Gabric was unable to secure coverage with Tower as planned. Instead, on June 26, 2015, she completed an electronic application for Vermont Mutual Insurance Company ("Vermont"), uploaded the application, and applied the payment received from the insured's closing agent to the policy. Ms. Gabric forged S.M.'s name on the signature page, signed her name as producer, and dated the signatures June 1, 2015.
17. Ms. Gabric did not have legal authority or permission from S.M. to sign S.M.'s name on the application or to alter any of the information on the applications. S.M. was unaware that his Tower policy had not been issued.
18. Ms. Gabric contacted the insured by email on June 26, 2015 to confirm that she "got everything sorted out" with the auto policy and to determine if he wanted to move ahead with issuing the Travelers auto insurance policy. She did not tell S.M. that he had been without homeowners coverage or discuss any of the details related to the Vermont policy.
19. From the date of closing until June 26, 2015, S.M. was without homeowners insurance.
20. S.M. became aware of the Vermont policy after receiving a cancellation notice from Vermont, and he contacted the Bureau on September 2, 2015.

Misrepresentations to Bureau Staff

21. Bureau staff contacted Ms. Gabric on October 5, 2015, regarding S.M.'s complaint and asked her to provide a written statement. Ms. Gabric's statement did not disclose the alterations of the Travelers application or the forgery of the Vermont Mutual application.
22. Ms. Gabric participated in an in-person interview at the Bureau offices in Gardiner, Maine, on December 15, 2015. Ms. Gabric initially denied altering any documents and stated that she had the insured's authorization to place coverage with Vermont. Eventually, Ms. Gabric admitted to the alteration of the Traveler's application and admitted to forging S.M.'s signature on the Vermont application; however, she insisted that she had spoken with the insured about the Vermont policy at the time it was obtained.

23. On December 16, 2015, Ms. Gabric sent an email to Bureau staff stating that she, in fact, did not remember speaking with the insured about the Vermont Mutual policy.

CONCLUSIONS OF LAW

24. Title 24-A M.R.S. § 1420-K(1)(J) provides that the Superintendent may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty in accordance with section 12-A, or take any combination of such actions, for "[f]orging another's name to an application for insurance or to any document related to an insurance transaction."

25. As described in Paragraph 16-17 above, Ms. Gabric violated § 1420-K(1)(J) by forging S.M.'s name on the application for homeowners coverage by Vermont.

26. Title 24-A M.R.S. § 1420-K(1)(H) provides that the Superintendent may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty in accordance with section 12-A, or take any combination of such 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."

27. As described in Paragraphs 9-10, above, Ms. Gabric violated § 1420-K(1)(H) by failing to place homeowners and auto coverage for S.M. upon receipt of the Tower premium check from S.M.'s closing agent.

28. As described in Paragraphs 11-13 above, Ms. Gabric violated § 1420-K(1)(H) by allowing an insured to be without homeowners coverage for a period of approximately five months, despite several inquiries that gave her actual notice of the misfiling.

29. As described in Paragraphs 15-17 above, Ms. Gabric violated § 1420-K(1)(H) by altering an application for auto insurance without the consumer's knowledge or authorization and by completing and submitting an application for homeowners insurance without the consumer's knowledge or authorization.

30. As described in Paragraph 21-23, Ms. Gabric violated § 1420-K(1)(H) by misrepresenting the events leading up to S.M.'s complaint to Bureau staff.

COVENANTS

31. Ms. Gabric admits to the Facts as stated above and admits that those Facts constitute a basis for imposing discipline upon her due to her violation of 24-A M.R.S. § 1420-K(1)(J) and her violations of 24-A M.R.S. § 1420-K(1)(H).

32. Ms. Gabric warrants that she has now made full and accurate disclosure regarding this matter, and she agrees that any material inaccuracy would constitute a violation of this Consent Agreement.
33. As discipline for her violations of law, Ms. Gabric agrees to the imposition of a civil penalty in the amount of \$5,000. The penalty shall be paid as follows: Five Hundred Dollars (\$500) must be received by the Bureau within 30 days of execution of this agreement. Ms. Gabric will then make 12 monthly payments of Three Hundred Seventy-Five Dollars (\$375). The first monthly payment must be received by the Bureau no later than August 1, 2016, and each subsequent monthly payment is due no later than the 1st day of each month thereafter. The penalty payments must be made by certified check or money order made out to "Treasurer, State of Maine" and addressed to: Lindsay J. Laxon, Esq., Maine Bureau of Insurance, 34 State House Station, Augusta, Maine 04333-0034. If Ms. Gabric fails to make any of the above payments, then the balance of the penalty will become immediately due and owing in full.
34. Ms. Gabric agrees to the suspension of her insurance producer license for a period of twelve (12) months. During that period, Ms. Gabric may not engage in insurance producer activities as defined in the Maine Insurance Code, Title 24-A of the Maine Revised Statutes and may not participate in the business of an insurance agency or receive compensation to the extent prohibited by 24-A M.R.S. § 1412.
35. Ms. Gabric agrees that within twelve (12) months from the date of this Consent Agreement (as measured from the date of the Superintendent's signature) she will successfully complete nine (9) credit hours of ethics training and will report such completion to the Bureau. Such training must be through courses that are approved for the producer continuing education ethics requirement in Maine. However, the nine credit hours required by this paragraph shall not be credited towards Ms. Gabric's regular biennial continuing education requirement, which is next due April 30, 2018.
36. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.
37. In consideration of Ms. Gabric's execution of and compliance with the terms of this Consent Agreement, the Superintendent and Attorney General agree to forgo pursuing against Ms. Gabric any further disciplinary measures or other civil or administrative sanctions available under the Maine Insurance Code concerning the specific conduct described in this Consent Agreement, other than those agreed to herein. Should Ms. Gabric violate any provision of this Consent Agreement, however, she may be subject to any available remedy for the violation. Ms. Gabric further acknowledges and agrees that, upon execution of this Consent Agreement, each of the Covenants herein shall constitute an order of the Superintendent after notice of the opportunity for a hearing.
38. Notwithstanding Paragraph 37 above, nothing in this Agreement precludes the Superintendent from seeking restitution from Ms. Gabric in accordance with 24-A M.R.S.

§ 12-A(6) on behalf of affected consumers for violations that have not been set forth in this Consent Agreement.

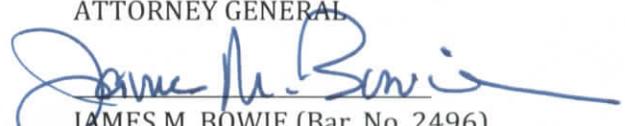
39. This Consent Agreement is enforceable by an action in Maine Superior Court.
40. This Consent Agreement is not subject to appeal. Ms. Gabric waives any further hearing or appeal regarding the matters that are the subject of this Consent Agreement.
41. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto.
42. This Consent Agreement is a public record within the meaning of 1 M.R.S. § 402(3) and will be available for public inspection and copying as provided for by 1 M.R.S. § 408-A. This Consent Agreement will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.
43. Ms. Gabric agrees that she has read this Consent Agreement, that she understands this Consent Agreement, that she has reviewed the statutory provisions set forth herein, that she understands her right to consult with counsel before signing this Consent Agreement, and that she enters into this Consent Agreement voluntarily and without coercion of any kind from any person.

SIGNATURES

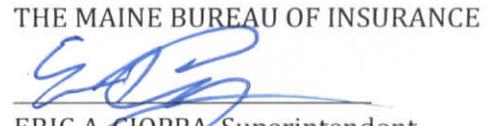
Dated: June 15, 2016


HOPE GABRIC

Dated: 6/20/2016, 2016

THE OFFICE OF THE MAINE
ATTORNEY GENERAL

JAMES M. BOWIE (Bar. No. 2496)
Assistant Attorney General

Dated: 6/27, 2016

THE MAINE BUREAU OF INSURANCE

ERIC A. CIOPPA, Superintendent