

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

**IN RE: BANKERS LIFE AND CASUALTY)
COMPANY and ALAN D. KNOWLTON) CONSENT AGREEMENT
DOCKET NO. INS-04-2000)
)
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Alan D. Knowlton, the Maine Bureau of Insurance, and the Maine Office of the Attorney General hereby enter into this Consent Agreement pursuant to 10 M.R.S.A. § 8003(5)(B) to resolve, without an adjudicatory proceeding, the charges against Mr. Knowlton contained in the Petition to Enforce in this matter dated January 4, 2005.

STIPULATIONS

1. The Superintendent of Insurance is the official charged with administering and enforcing the insurance laws of the State of Maine.
2. Respondent Alan D. Knowlton is licensed by the Superintendent as a resident insurance producer under License No. PRR19548 and National Producer Identification number 3679740.
3. Respondent Knowlton is and was at all times relevant to this matter an appointed insurance producer for Bankers Life and Casualty Company, Maine License No. LHF127, based at its branch sales office at 27 Bangor Mall Boulevard, Bangor, Maine.
4. Respondent Knowlton is and was at all times relevant to this matter the Bangor, Maine Branch Sales Office Manager for Bankers Life.
5. A.M. Best Company ("A.M. Best") is the leading provider of financial ratings of insurance companies.
6. A.M. Best assigns financial strength ratings to insurance companies that range from "A++" for superior companies to "F" for companies that are in liquidation.
7. On April 28, 2000, A.M. Best downgraded Bankers Life's financial strength rating from "A" to "A-."
8. Since April 28, 2000, Bankers Life has not attained an "A" rating.
9. On November 4, 2004, the A.M. Best financial strength rating for Bankers Life was B++.
10. On or about November 4, 2004, Mr. Knowlton held a meeting to recruit individuals to become insurance producers for Bankers Life.
11. At this recruiting meeting, Mr. Knowlton distributed to each of the attendees a package of materials describing Bankers Life and explaining its agent program.
12. Those materials contained the following statement: "Bankers has a 'A' (excellent) rating by A.M. Best Company."
13. At the time he distributed these materials, Mr. Knowlton knew that the A.M. Best financial strength rating for Bankers Life was not "A".
14. At the conclusion of the meeting, Mr. Knowlton returned to his office. An attendee of the recruiting meeting passing his office commented that he was pleased to see the rating

from A.M. Best, to which Mr. Knowlton responded that he hoped this rating would be improving too. Mr. Knowlton neither admits nor denies whether, at the time he made this statement, he realized that the attendee was referencing the “A” rating in the recruiting materials.

15. Mr. Knowlton’s distribution of the materials containing the statement that Bankers Life had an “A” rating by A.M. Best was the making of a misleading representation or misrepresentation as to the financial condition of Bankers Life constituting a violation of 24-A M.R.S.A. § 2153, the making of a statement with respect to the business of insurance that was untrue, deceptive, or misleading constituting a violation of 24-A M.R.S.A. § 2154, and an act of incompetence in the conduct of business constituting a violation of 24-A M.R.S.A. § 1420K(1)(H).
16. Alan Knowlton’s acknowledgement of the attendee’s remark regarding the A.M. Best rating was a misleading representation as to the financial condition of Bankers Life constituting a violation of 24-A M.R.S.A. § 2153, a statement with respect to the business of insurance that was untrue, deceptive, or misleading constituting a violation of 24-A M.R.S.A. § 2154, and an act of incompetence in the conduct of business constituting a violation of 24-A M.R.S.A. § 1420K(1)(H).

COVENANTS

Alan D. Knowlton, the Superintendent, and the Attorney General agree to the following:

17. This Consent Agreement is entered into in accordance with 10 M.R.S.A. § 8003(5)(B) and is not subject to review or appeal. This Consent Agreement is enforceable by an action in the Superior Court.
18. Alan D. Knowlton agrees to the imposition of a civil penalty of \$750.00, pursuant to 24 A M.R.S.A. § 12 A(1), for the violations admitted herein, and shall submit a check for that amount, payable to the Treasurer of the State of Maine, at the time of the execution of this Agreement.
19. Mr. Knowlton agrees to a term of license probation commencing upon the execution of this Consent Agreement and extending for 270 days, and agrees to the suspension of his insurance producer license for a period of 60 days, all of which suspension is suspended pending the satisfactory completion of the period of license probation.
20. If Mr. Knowlton violates the Maine Insurance Code, other applicable law, or any order of the Superintendent at any time during his term of probation, the Superintendent has the discretion to require Mr. Knowlton to serve all or any part of the 60 days of the license suspension, in addition to any penalty that might be imposed for the underlying violation.
21. During the term of probation, Mr. Knowlton shall promptly report to the Superintendent any investigations, proceedings, and customer complaints of any type, written or oral, concerning his activities in the insurance industry.
22. Mr. Knowlton agrees to file before use with the Superintendent all agent recruitment materials he or those under his supervision intend to use.
23. Mr. Knowlton agrees to send a notice to all insurance producers and staff in the Bangor branch sales office that: (1) advises these personnel of the inaccuracy of the representations about Bankers Life holding an A.M. Best rating of “A” contained in the recruiting materials; (2) requires these personnel not to distribute such recruiting

materials, to the extent that any of these materials were not previously destroyed; and (3) requires these personnel to report to Mr. Knowlton any inaccuracies in any Bankers Life materials of which they are now or may become aware.

24. Mr. Knowlton agrees to prominently identify Bankers Life and Casualty Company in all recruiting advertisements that he or anyone under his supervision publishes.
25. In consideration of Mr. Knowlton's execution of and compliance with the terms of this Consent Agreement, the Superintendent and the Attorney General agree to forgo pursuing further disciplinary measures or other civil or administrative sanctions against Mr. Knowlton for the violations described in the Stipulations, other than those agreed to in this Consent Agreement. However, should Mr. Knowlton violate this Consent Agreement, the Superintendent and the Attorney General reserve the right to pursue any available legal remedy for the violation, including without limitation the suspension or revocation of all licenses issued to Mr. Knowlton by the Superintendent.
26. The parties to this Agreement understand that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.
27. Mr. Knowlton understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and will be reported to the National Association of Insurance Commissioners' "RIRS" database.
28. Mr. Knowlton has been advised of his right to consult with counsel before executing this Agreement.
29. This Consent Agreement may be modified only by a written agreement executed by all of the parties.

Dated:

Alan D. Knowlton

Personally appeared before me this day _____,
and signed this Consent Agreement in my presence.

Notary Public

FOR THE ATTORNEY GENERAL

Dated:

Andrew L. Black, AAG

BY THE SUPERINTENDENT OF INSURANCE

Dated:

Alessandro A. Iuppa, Superintendent