INSURANCE COMPANY; ACCIDENT FUND INSURANCE COMPANY OF AMERICA; GRIFFIN, SMALLEY & WILKERSON, INC.; and PATRICK E. WILLIAMS

DOCKET NO. INS-05-201

CONSENT AGREEMENT BY GRIFFIN, SMALLEY & WILKERSON, INC. and PATRICK E. WILLIAMS

Griffin, Smalley & Wilkerson, Inc. (GS&W); Patrick E. Williams; the Maine Superintendent 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, issues arising out of the Respondents' conduct under the regulatory authority of the Superintendent.

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## **Stipulations**

- 1. The Superintendent is the official charged with administering and enforcing the insurance laws of the State of Maine.
- 2. Respondent GS&W is a Michigan business corporation with a principal place of business in Farmington Hills, and has been licensed by the Superintendent as a nonresident insurance producer agency since July 1, 2003.
- 3. Respondent Williams is a Michigan resident with a principal place of business in Farmington Hills, has at all relevant times been employed by Respondent GS&W, and has been licensed by the Superintendent as a nonresident insurance producer since July 1, 2003.
- 4. Respondents Williams and GS&W were the producer and agency of record for PML Holdings Group, Inc., a Michigan-based employee leasing company whose workers' compensation coverage was issued by Star Insurance Company and fully reinsured by Accident Fund Insurance Company of America. PML advised Williams that it had entered into a business relationship with World Wide Personnel Services of Maine, Inc. (WWPSME) and United Personnel Services, Inc. (UPSME), two Maine employee leasing companies, and that both WWPSME and UPSME would need workers' compensation insurance effective June 16, 2003.
- 5. At that time neither Williams nor GS&W was licensed in Maine. They therefore promptly contacted a contractor that processes license applications, received application materials by fax on June 6, and sent back complete, fully executed applications on June 10 for the contractor to forward to the Maine Bureau of Insurance.
- 6. The Bureau received the applications on June 20, and issued the license on July 1. Neither the contractor nor the Bureau of Insurance made any representations to Williams or GS&W that the license would be issued by any specific date. Neither Williams nor anyone else acting on behalf

of GS&W indicated to the Bureau that they needed to be licensed by any specific date, nor contacted the Bureau before the license was issued to follow up on the status of the application. Since the applications were not executed until June 10, it would have been unrealistic to expect licensure by June 16 even if the applications had been submitted directly to the Bureau.

- 7. Nevertheless, Williams, acting on behalf of GS&W, went forward with the sale of the Maine insurance coverage to WWPSME and UPSME with an effective date of June 16.
- 8. Thus, on or before June 16, 2003, Williams and GS&W sold and negotiated insurance to two Maine employers before becoming licensed as insurance producers, in violation of 24 A M.R.S.A. § 1420 B. Furthermore, neither Williams and GS&W could reasonably believe they were licensed at the time of transaction.

## **Covenants**

The Respondents, the Superintendent, and the Office of the Attorney General agree to the following:

- 9. 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.
- 10. Each Respondent warrants that it has made full and accurate disclosure to the Superintendent of the underlying facts, and agrees that any material inaccuracy would constitute a violation of this Consent Agreement.
- 11. For the violations described above, each Respondent agrees to the imposition of a civil penalty of \$1000, pursuant to 24 A M.R.S.A. § 12 A(1), and the Respondents shall submit a check for \$2000, payable to the Treasurer of the State of Maine, at the time of the execution of this Agreement.
- 12. In consideration of the Respondents' execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil or administrative sanction for the violations of the notice and disclosure requirements described in the Stipulations, other than those agreed to in this Consent Agreement. However, should either Respondent violate this Consent Agreement, the Superintendent reserves the right to pursue any available legal remedy for the violation, including without limitation the suspension or revocation of all licenses issued by the Superintendent.
- 13. 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.
- 14. The Respondents understand and acknowledge 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.

- 15. The Respondents have been advised of their right to consult with counsel, and have consulted with counsel before executing this Agreement.
- 16. This Consent Agreement may be modified only by a written agreement executed by all of the parties.

## FOR GRIFFIN, SMALLEY & WILKERSON, INC.

Dated:	
	(signature)
	(printed name and title)
Personally appeared before me this dayAgreement in my presence.	, and signed this Consent
	Notary Public
BY PATRICK E. WILLIAMS	
Dated:	(signature)
Personally appeared before me this day Patrick E. Williams, and signed this Consent Agreement in my presence.	
	Notary Public
FOR THE OFFICE OF THE ATTORNEY GENERAL	
Dated:	Andrew L. Black, AAG
BY THE SUPERINTENDENT OF INSURANCE	
Dated:	Alessandro A. Iuppa, Superintendent