

**STATE OF MAINE
BUREAU OF INSURANCE**

**In re:
CPM Insurance Services, Inc.**

Docket No. INS-06- 206

CONSENT AGREEMENT

This document is a Consent Agreement authorized by Title 10 M.R.S.A. § 8003(5), entered into among CPM Insurance Services, Inc., a Connecticut corporation; the Maine Superintendent and Bureau of Insurance; and the Maine Department of the Attorney General. Its purpose is to resolve, in lieu of an adjudicatory proceeding, issues implicating Title 24-A M.R.S.A. §1417(1) and §1420-K(1)(A).

STATEMENT OF FACTS

1. The Superintendent of Insurance 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.

2. CPM Insurance Services, Inc. applied for a Maine Nonresident Business Entity Producer License in January, 2006.

Failure to disclose administrative proceeding

3. Item 29 (2) on the NAIC Uniform Application for Business Entity Insurance License / Registration form which the applicant filed with the Bureau required a response to the following question:

“Has the business entity or any owner, partner, officer or director ever been involved in an administrative proceeding regarding any professional or occupational license?”

4. The applicant answered “No” to Item 29 (2).

5. The application included Frank Pellegrino Jr.'s signature as President of the applicant, dated December 12, 2005, under the statement:

“The undersigned owner, partner, officer or director of the business entity hereby certifies, under penalty of perjury, that: 1) All of the information submitted in this application and attachments is true and complete and I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license or registration revocation and may subject me and the business entity to civil or criminal penalties...”

6. Staff of the Maine Bureau of Insurance discovered, through its routine application review process, that the applicant had settled a complaint investigation in August 2000 in its home state of Connecticut, resulting in an administrative penalty of \$2,000.00.

7. The Supervisor of Licensing for the Maine Bureau of Insurance requested, by letter dated January 26, 2006, an explanation for the applicant's failure to disclose the Connecticut matter.

8. The Bureau received documentation from the applicant in February 2006, including a copy of the Connecticut settlement order signed by the Connecticut Insurance Commissioner and by Frank Pellegrino, Jr. on behalf of the firm, as well as the following explanation from the firm's office manager, of the circumstances of the action and the failure to disclose it in the application or to accurately answer the item on the application requiring such disclosure:

"As for our wrong response to question '29(2)', I personally had retired from CPM Insurance Services, Inc. in March 2000. Prior to this, CPM never had anything reported to the Commissioner. I asked Mr. Pellegrino, if anything happened after the year 2000. He forgot about this incident and told me CPM's record was clean."

9. Other than the above assertion that the firm's president forgot the incident, there was no further explanation provided regarding the failure to disclose the Connecticut matter, which he had also signed.

CONCLUSIONS OF LAW

10. The application form's disclosure questions specifically require disclosure of insurance administrative matters. CPM Insurance Services, Inc. provided incorrect, misleading, incomplete or materially untrue information in its Maine application for nonresident producer business entity licensing by failing to disclose the Connecticut proceeding and settlement order when it applied, and by certifying that the information was true and complete, and the applicant has not provided an adequate legal explanation for this failure to provide accurate information or to answer the item on the application correctly.

11. The provision of incorrect, misleading, incomplete or materially untrue information in the license application constitutes grounds for denial of the license application or other appropriate action, including the imposition of a civil penalty, under 24-A M.R.S.A. §1420-K(1)(A).

COVENANTS

12. CPM Insurance Services, Inc., the Maine Superintendent and Bureau of Insurance, and the Maine Department of the Attorney General agree to the following.

13. 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.

14. At the time of executing this Consent Agreement, CPM Insurance Services, Inc. will remit to the Maine Bureau of Insurance a civil penalty in the amount of \$250.00, payable to the Treasurer of the State of Maine.

15. CPM Insurance Services, Inc. will promptly report any matters to the Maine Bureau of Insurance during all times as it is licensed through the Bureau, to the extent such reporting is required under the Maine Insurance Code, and will comply in all other respects with the provisions of the Maine Insurance Code, as applicable.

16. In consideration of the applicant's execution of this Consent Agreement, the State of Maine Bureau of Insurance shall issue the Nonresident Producer Business Entity License for which it has applied.

17. CPM Insurance Services, Inc. understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 MRSA § 402, and will be available for public inspection and copying as provided for by 1 MRSA § 408, and will be reported to the NAIC "RIRS" database.

18. In consideration of the applicant's execution of and compliance with the terms of this Consent Agreement, the Superintendent of Insurance, Bureau of Insurance, and Department of the Attorney General agree to forgo pursuing further disciplinary measures or other civil or administrative sanction for the actions described in this Consent Agreement, other than those agreed to herein. However, should CPM Insurance Services, Inc. violate this Consent Agreement, it may be subject to any available legal remedy for the violation, including without limitation the suspension or revocation of all licenses issued to the applicant under the Maine Insurance Code.

19. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.

Executed by:

CPM Insurance Services, Inc.

By:

Dated: _____, _____

(printed name)

Its: _____

State of Connecticut, _____, ss

Subscribed and Sworn to before me
this _____ day of _____, _____.

Notary Public

(printed name)

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: July 28, 2006

s/s

Alessandro A. Iuppa, Superintendent

FOR THE DEPARTMENT OF THE ATTORNEY GENERAL

Dated: _____, _____

Assistant Attorney General

(printed name)