

**STATE OF MAINE
BUREAU OF INSURANCE**

IN RE:)
)
SELENA C. NORWOOD)
)
Maine License No. PRR98336) **CONSENT AGREEMENT**
National Producer No. 7873229)
)
Docket No. INS-09-208)

This document is a Consent Agreement authorized by 10 M.R.S. § 8003(5), entered into among Selena C. Norwood, a resident of Maine; the Maine Superintendent of Insurance; and the Maine Office of the Attorney General. Its purpose is to resolve, in lieu of 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 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. The Superintendent has jurisdiction over this matter pursuant to the Insurance Code generally, Title 24-A Maine Revised Statutes, in particular, 24-A M.R.S. §§ 12-A, 211, and 229, as well as other provisions.
2. Selena C. Norwood has been licensed in Maine as an insurance producer with Property & Casualty authority since 2003. Her Maine Producer Number is PRR 98336. Her National Producer Number is 7873229. At all times relevant to the issues in this matter, Ms. Norwood was employed by Merchant, Needham & Associates in Northeast Harbor, Maine and was an appointed producer for Patrons Oxford Insurance Company (“Patrons Oxford”).

STATUTORY AUTHORITY

3. Under 24-A M.R.S. §1417 and §1420-K(1)(H), after notice and opportunity for hearing, 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 violating any insurance laws, or violating any rule, regulation, subpoena or order of the Superintendent or of another state’s insurance commissioner. Pursuant to 10 M.R.S. § 8003(5), the Superintendent may resolve a complaint by entering into a consent agreement with a licensee and with the agreement of the Attorney General.

FACTS

Misrepresentation on Insurance Application for Insured “P.C.”

4. Ms. Norwood submitted an application dated December 28, 2006, to Patrons Oxford for a homeowner’s policy on behalf of insurance applicant “P.C.” of Addison, Maine.
5. The application indicated “No” to the question, “Are there any animals or exotic pets kept on premises? (Note breed and bite history).”
6. Ms. Norwood’s handwritten notes in the insurance agency’s file include the phrase “german shep 5 years,” and the application file included a photograph of the property that shows a dog on the premises.
7. There was, in fact, a dog kept on the premises that Ms. Norwood was aware of but did not include on the application as submitted to the insurer.

Misrepresentation on Insurance Application for Insured “T.E.”

8. Ms. Norwood submitted an application dated March 29, 2006, to Patrons Oxford, for a personal automobile policy on behalf of insurance applicant “T.E.” a 20-year-old living in Northeast Harbor, Maine.
9. Under Patron Oxford’s underwriting standards, a five-year driver’s license history could qualify an insured for a preferable premium tier.
10. In the section of the application entitled “Remarks,” Ms. Norwood wrote, “1 yr licensed in Florida, 4 years in Maine.”
11. T.E. had, in fact, never lived in Florida or in any way indicated to Ms. Norwood that she had.

Misrepresentation on Insurance Application for Insured “D.H.”

12. Ms. Norwood submitted an application dated October 24, 2006, to Patrons Oxford for a personal automobile policy on behalf of insurance applicant “D.H.” of Southwest Harbor, Maine.
13. The driving record of D.H.’s spouse was unacceptable under Patrons Oxford’s underwriting standards.
14. Ms. Norwood’s handwritten notes in the insurance agency’s file include the first name of D.H.’s spouse, crossed out.
15. The check with which D.H. remitted the initial premium, payable to the agency which employed Ms. Norwood at the time, was imprinted with both D.H. and D.H.’s spouse’s names.
16. The application as submitted to the insurer only indicated D.H.’s name under “Resident & Driver Information.”
17. A whited-out entry is visible on the line in the application under D.H.’s name as indicated in response to “Resident & Driver Information.”
18. Ms. Norwood was on notice and aware that D.H. resided with her spouse, but submitted the application without reference to D.H.’s spouse.

Misrepresentation on Insurance Application for Insured “P.J.”

19. Ms. Norwood submitted an application dated February 23, 2007, to Patrons Oxford for a homeowner's policy on behalf of insurance applicant "P.J." of Prospect, Maine.
20. The application indicated "No" to the question, "Any coverage declined, cancelled or non-renewed during the last 3 years?"
21. P.J.'s prior coverage with another carrier, which had also been placed through the agency that employed Ms. Norwood, had, in fact, been cancelled effective February 11, 2007.
22. Patrons Oxford would not have accepted the risk if it had known of the prior cancellation.
23. In May 2007, the property was destroyed by fire, incurring a \$433,000 loss under the new policy.

Misrepresentation on Insurance Application for Insured "C.L."

24. Ms. Norwood submitted an application dated October 26, 2006, to Patrons Oxford for a homeowner's policy on behalf of insurance applicant "C.L." of Steuben, Maine.
25. The application listed a specific policy with a different carrier, as prior coverage, with an expiration date of "10/28/06."
26. The policy listed as prior coverage was not related to C.L. or the subject property. C.L.'s prior coverage was, in fact, with a different carrier under a different policy number, and with an expiration date of October 26, 2006.
27. The application which Ms. Norwood submitted included a response of "No" to the question, "Any coverage declined, cancelled or non-renewed during the last 3 years?"
28. In fact, the prior carrier had issued a non-renewal notice for the prior coverage, effective October 26, 2006.
29. The application indicated that the property was C.L.'s residence and that no business was conducted on the premises.
30. The property was, in fact, a restaurant that was not currently in operation.
31. A view of the rear of the building would have disclosed commercial venting and related equipment in connection with its use as a restaurant.
32. Ms. Norwood only submitted a photograph of the front of the building with the application.
33. In a memo dated October 27, 2006 to Patrons Oxford's underwriter concerning a question arising over the fact that the photograph of the front of the building showed a large number of apparently decorative buoys and related items affixed to the building's large front deck, Ms. Norwood stated:

Can you guess by looking at the picture that the insured is a retired commercial fisherman? And proud of it! The back picture didn't come through I will get it again & send.

34. In October 2008 the property was destroyed by fire, incurring a loss of over \$200,000 under the new policy.

Misrepresentation on Insurance Application for Insureds "K.S." and "D.S."

35. Ms. Norwood submitted an application dated February 15, 2007, to Patrons Oxford, for a homeowner's policy on behalf of insurance applicants "K.S. and D.S." of Swans Island, Maine.
36. By memo dated February 13, 2007, to Ms. Norwood to request a quote, K.S. and D.S. had noted that they were about to have a woodstove insert professionally installed, and were hoping to secure insurance coverage at a better rate than offered by their current carrier.
37. The application Ms. Norwood submitted to the insurer on their behalf listed "oil" as primary heat type and "none" as secondary heat source.
38. The insurer's underwriter noted a wood supply stacked in the photograph of the premises submitted with the application and asked Ms. Norwood about the reason for the wood supply.
39. On March 7, 2007, Ms. Nonfood communicated to the underwriter that the stacked wood was for a fireplace only and that there was no woodstove in the home.

COVENANTS

40. Ms. Nonfood admits to the Facts as stated above and admits that these Facts constitute a basis for imposing discipline against her as follows:
 - a. Pursuant to 24-A M.R.S. § 1420-K(1)(B) for violating an insurance law, specifically, 24-A M.R.S. § 2178 by knowingly and willfully making false representations in applications for insurance; and
 - b. Pursuant to 24-A M.R.S. § 1420-K(1)(H) by using dishonest practices and demonstrating untrustworthiness in the conduct of business.
41. Ms. Nonfood agrees that her Maine producer license, Number PRR98336, will be revoked as of the date of the Superintendent's signature below, which signature shall constitute the Superintendent's action of revoking this license.
42. As of the date of Ms. Norwood' signature, Ms. Norwood will not conduct the business of insurance, directly or indirectly, or serve in any adjunct or advisory capacity to any person conducting the business of insurance.
43. Ms. Norwood agrees that the license revocation under Paragraph 41 and restrictions under Paragraph 42 are permanent, and that she will not reapply for any form of insurance license, or engage in the business of insurance in Maine, at any time in the future.
44. Ms. Norwood agrees to pay a civil penalty in the amount of three thousand dollars (\$3,000.00) which amount shall be due and made payable as follows:
 - a. One thousand dollars (\$1,000.00) shall be due upon submission of the signed Consent Agreement to the Superintendent;
 - b. One thousand dollars (\$1,000.00) shall be due on or before one hundred eighty (180) days after the date of final execution of this Consent Agreement;
 - c. One thousand dollars (\$1,000.00) shall be due on or before three hundred sixty-five (365) days after the date of final execution of this Consent Agreement; and
 - d. All payments shall be made by check or money order payable to "Treasurer, State of Maine" and delivered to Sarah Hewitt, Legal Assistant, Maine Bureau of Insurance, 34 State House Station, Augusta, ME 04333.

45. The Parties to this Consent Agreement understand that nothing herein shall affect any rights or interest that any person not a party to this Agreement may possess.
46. Nothing in this Consent Agreement shall be construed to excuse any obligation or duty of Ms. Nonfood to past or present clientele.
47. In return for Ms. Norwood's execution of this Consent Agreement, the Superintendent and the Attorney General agree that no further action will be initiated against Ms. Norwood by the Bureau of Insurance for the specific violations of the Insurance Code admitted to herein, except or unless she fails to comply with the terms and conditions of this Consent Agreement. This Consent Agreement does not preclude the State of Maine or any of its agencies from seeking in a judicial forum any remedy for illegal conduct by Ms. Nonfood other than the specific violations of the Insurance Code specifically resolved through this Consent Agreement.
48. This Consent Agreement is enforceable by an action in Maine Superior Court.
49. This Consent Agreement is not subject to appeal. Ms. Norwood waives any further hearings or appeals regarding the matters that are the subject of this Consent Agreement.
50. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto. The decision to modify, continue, or terminate any or all of the provisions of this Consent Agreement rests in the discretion of the Superintendent and Attorney General.
51. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access Law, 1 M.R.S. §§ 401 through 410, will be available for public inspection and copying as provided for by 1 M.R.S. § 408, and will be reported to the National Association of Insurance Commissioners' "RIRS" database.
52. By her signature on this Consent Agreement, Ms. Norwood indicates that she has read the Agreement, that she understands the Agreement, that she has reviewed the statutory provisions she has violated, that she has been advised of her right to consult with counsel and has had an opportunity to consult with counsel before signing the Agreement, and that she enters into the Agreement voluntarily and without coercion of any kind from any person.

SELENA C. NORWOOD

Dated: _____, _____

Selena C. Norwood

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: _____, _____

Mila Kofman, Superintendent

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: _____, _____

Assistant Attorney General

(printed name)