

STATE OF MAINE
BUREAU OF INSURANCE

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FCHCN Insurance Agency, Inc.)
) CONSENT AGREEMENT
Maine License No. AGN161350)
)
Docket No. INS-12-214)

This document is a consent agreement authorized by 10 M.R.S. § 8003(5)(B), and entered into by FCHCN Insurance Agency, Inc., (“FCHCN”) the Superintendent of the Maine Bureau of Insurance (“Superintendent”), and the Maine Office of the Attorney General (“Attorney General”). Its purpose is to resolve, in lieu of an adjudicatory proceeding, an investigation into allegations of violations of 24-A M.R.S. §§ 1413(1), 1420-M(1), 1420-K(1)(L), 1420-L, and 2177 for which the Superintendent may impose discipline pursuant to 24-A M.R.S. § 12-A and 10 M.R.S. § 8003(5)(A-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.

STATEMENT OF FACTS

1. FCHCN is a Florida corporation with a principal place of business at 2000 West Commercial Boulevard, Fort Lauderdale, Florida.
2. On June 2, 2004, FCHCN, then known as “First Choice Health Care Network, Inc.,” (“First Choice”) became incorporated under the laws of Florida.
3. Effective January 1, 2007, Guarantee Trust Life Insurance Company (“GTL”), the holder of Maine foreign life and health insurance company license number LHF191, issued a group limited benefits accident and sickness health insurance policy (GTL Group Insurance Policy Number 50001), to the National Congress of Employers (“NCE”), an association located in Washington, D.C. This policy will be referred to hereinafter as “the GTL Policy.”
4. NCE is a not for profit corporation incorporated under the laws of Delaware in 2006 and located in Garden City, New York.
5. The National Association for Political Advocacy (“NAPA”) is a division of NCE.

6. FCHCN, as First Choice, marketed coverage under the GTL policy through the internet website www.getfchcn1.com, which directed consumers to call a toll-free telephone number through which representatives of FCHCN solicited the insurance coverage to the callers.
7. The website described the coverage as “The First Choice Health Care Network Limited Medical Plans” with three levels of benefits. Nowhere on the website did FCHCN disclose the name of any insurance company that was providing the coverage.
8. From on or about February 1, 2007, through June 1, 2008, three representatives of FCHCN sold insurance coverage under the GTL Policy to 17 Maine residents. The Maine residents who purchased coverage under the GTL policy through FCHCN were provided memberships to NAPA.
9. The three FCHCN representatives are identified by FCHCN in its letter to the Bureau dated July 20, 2010, and will be referred to collectively hereinafter as the “three FCHCN representatives.”
10. The 17 Maine residents are identified by FCHCN in an attachment to its letter to the Board dated July 20, 2010.
11. FCHCN compensated each of the three FCHCN representatives \$60.00 for each sale of coverage to a Maine resident.
12. At no time during the period of these 17 sales to Maine residents did FCHCN hold a Maine an insurance producer agency license.
13. At no time did FCHCN obtain an appointment from GTL.
14. At no time did any of the three FCHCN representatives hold Maine insurance producer licenses.
15. At no time did any of the three FCHCN representatives become appointed as producers by GTL.
16. On September 5, 2008, FCHCN changed its name from “First Choice Health Care Network, Inc.,” to “FCHCN Insurance Agency, Inc.” and filed that name change with the Florida Secretary of State.
17. On October 30, 2008, FCHCN obtained a Florida insurance producer license.
18. On December 8, 2008, FCHCN then applied for a Maine nonresident producer agency license, and on December 9, 2008, the Bureau issued license number AGN161350 to FCHCN.
19. Thereafter FCHCN continued to operate its internet website, which continued to describe the coverage as “The First Choice Health Care Network Limited Medical

Plans” without disclosing the name of any insurance company that was providing the coverage.

VIOLATIONS OF LAW

Failing to Become Licensed Prior to Selling, Soliciting, or Negotiating Insurance

20. Pursuant to 24-A M.R.S. § 1413(1), a nonresident business entity must be licensed as an insurance producer in order to authorize individual licensees to act on the entity’s behalf by engaging in insurance producer activities.
21. FCHCN violated 24-A M.R.S. § 1413(1) each of the 17 times one of the three FCHCN representatives sold coverage under the GTL Policy to a Maine resident prior to FCHCN obtaining a Maine nonresident producer agency license as described above.

Failing to Obtain Insurer Appointment

22. Pursuant to 24-A M.R.S. § 1420-M(1) an insurance producer may not act as an agent of an insurer unless the insurance producer is appointed by that insurer.
23. FCHCN violated 24-A M.R.S. § 1420-M(1) each of the 17 times one of the three FCHCN representatives sold coverage under the GTL Policy to a Maine resident without FCHCN becoming an appointed agent of GTL as described above.

Accepting Insurance Business from Unlicensed Individuals

24. Pursuant to 24-A M.R.S. § 1420-K(1)(L), the Superintendent may impose disciplinary sanctions against an insurance producer who knowingly accepts insurance business from an individual who is not licensed.
25. FCHCN violated 24-A M.R.S. § 1420-K(1)(L) each of the 17 times it accepted a sale of insurance coverage under the GTL Policy to a Maine resident by one of the three FCHCN representatives who were unlicensed as described above.

Paying Commission or Fee to Unlicensed Individual for Soliciting Insurance

26. Pursuant to 24-A M.R.S. § 1420-L, an insurance producer is prohibited from paying a commission, fee or other valuable consideration to a person for selling, soliciting or negotiating insurance in Maine if that person is required to be licensed and is not so licensed.
27. FCHCN violated 24-A M.R.S. § 1420-L each of the 17 times it paid \$60 to one of the three FCHCN representatives for selling insurance coverage to a Maine resident as described above.

Deceptively Using Name as Insurer

28. Pursuant to 24-A M.R.S. § 2177, no person who is not an insurer may assume or use any name that deceptively suggests that it is an insurer.
29. FCHCN violated 24-A M.R.S. § 2177 by using and assuming the name "First Choice Health Care Network" when marketing coverage under the GTL Policy without revealing the name of the actual insurer, thereby deceptively suggesting that FCHCN was the insurer providing the coverage as described above.

COVENANTS

30. This Consent Agreement is entered into in accordance with 10 M.R.S. § 8003(5)(B). This Consent Agreement is enforceable by an action in the Superior Court.
31. This Consent Agreement is not subject to appeal. FCHCN waives any further hearings or appeals regarding the matters that are the subject of this Consent Agreement.
32. FCHCN admits to the violations of law stated above and accepts as disciplinary action the imposition of a civil penalty in the amount of \$15,000. FCHCN shall remit payment of this civil penalty within thirty (30) days after signing this Consent Agreement. Payment shall be by certified check or money order payable to "Treasurer, State of Maine" and delivered to the Bureau.
33. This Agreement will constitute a public record within the meaning of 1 M.R.S. § 402, and will be available for public inspection and copying as provided for by 1 M.R.S. § 408, and will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.
34. In consideration of FCHCN's execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees that no further agency or legal action will be initiated against FCHCN by the Superintendent for the specific violations of law admitted to herein, except or unless FCHCN fails to comply with the terms and conditions of this Consent Agreement. The Superintendent may, however, consider the conduct described above as evidence of a pattern of misconduct in the event that other allegations are brought against FCHCN. The Superintendent may also consider the fact that discipline was imposed by this Consent Agreement in determining appropriate discipline in any further complaints against FCHCN's license.
35. In the case of a violation of this Agreement, the parties may pursue any available legal remedy to enforce the Agreement in a court of competent jurisdiction.

36. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.
37. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto. The Superintendent and Attorney General retain complete discretion whether to agree to any proposed modification of any provision of this Consent Agreement.

FCHCN INSURANCE AGENCY, INC.

Dated: 7/15/12

FCHCN Insurance Agency, Inc.

By:



(title) Pres

THE MAINE SUPERINTENDENT OF INSURANCE

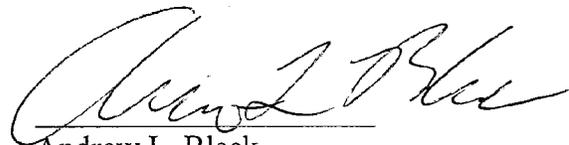
Dated: July 18, 2012



Eric A. Cioppa
Superintendent of Insurance

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: July 16, 2012



Andrew L. Black
Assistant Attorney General