

STATE OF MAINE  
BUREAU OF INSURANCE

IN RE:

PAUL A. GRANZIER

Maine License No. PRN167463  
National Producer No. 1825585

**CONSENT AGREEMENT**

Docket No. INS-13-203

Paul A. Granzier, a licensed Maine non-resident insurance producer, the Maine Superintendent of Insurance (“the Superintendent”), and the Office of the Maine Attorney General (“Attorney General”) hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without 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 24-A M.R.S. §§ 12-A and 211.

2. Paul A. Granzier has been licensed in Maine as a non-resident insurance producer since June 26, 2009. He was first licensed in his resident state of Ohio as a producer with Property and Casualty authority on June 4, 1991 and with Life, Accident and Health authority on August 10, 2004. His Maine nonresident producer license number is PRN167463. His National Insurance Producer Registry number is 1825585.

**STATUTORY AUTHORITY**

3. Under 24-A M.R.S. §§ 12-A and 1420-K, the Superintendent may issue a warning, censure, or reprimand to a licensee, may suspend, revoke or refuse to renew the license of a licensee, may impose conditions of probation on the licensee, may levy a civil penalty, or may take any combination of such actions, for violating any insurance laws, or violating any rule, regulation, subpoena, or order of the Superintendent. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve a complaint by entering into a consent agreement with a licensee and with the agreement of the Attorney General.

## FACTS

4. Mr. Granzier, in addition to being a licensed non-resident insurance producer, is the President of Dental 2U, a limited liability company incorporated in Ohio on April 17, 2009.
5. Dental 2U markets itself as a company that facilitates the provision of dental services to nursing home residents by bringing dentists into nursing homes to provide services. Participating nursing home residents are enrolled in dental insurance coverage offered by Madison National Life Insurance ("Madison Life"), which Mr. Granzier sells on commission.
6. In August, 2009, Mr. Granzier began promoting the Dental 2U program to Maine nursing home administrators.
7. In the course of promoting the program, Mr. Granzier provided a pamphlet to Maine nursing home administrators, intended for distribution to residents and their families, stating that Dental 2U had "contracted with a leading national mobile dental company to deploy dentists to visit the facility regularly."
8. At this time, Mr. Granzier had an understanding with a company called ReachOut Healthcare America ("ReachOut") that it would provide such services in Maine only if Mr. Granzier could enroll at least 250 nursing home residents in the program.
9. The Dental 2U pamphlet further stated that residents participating in the program would receive "an individual dental insurance policy." In fact, the coverage sold by Mr. Granzier through Dental 2U was not an individual policy but was through a group policy issued by Madison Life to an association called "Communicating for America."
10. Although some Mr. Granzier's sales materials did include references to insurance coverage and Madison Life, the pamphlet did not conspicuously disclose that one of its purposes was insurance sales solicitation or that Dental 2U was run by an insurance producer.
11. In the fall of 2009, based upon Mr. Granzier's representations, some Maine nursing home administrators sent letters to their residents encouraging them to enroll in the Dental 2U program. The administrators then helped interested residents with the enrollment process.
12. In December 2009, Mr. Granzier had a third-party administrator begin billing the enrolled nursing home residents for the dental coverage effective January 1, 2010.
13. Granzier, throughout this time, was having discussions with ReachOut about providing services to Maine residents. However, he never executed a binding contract with ReachOut to provide services in Maine.

14. In February, 2010, ReachOut informed Mr. Granzier that there were not enough paying enrollees in Dental 2U to allow ReachOut to provide services in Maine. Mr. Granzier then secured an agreement with Tooth Protectors, Inc. to provide the services. Tooth Protectors, however, employed only dental hygienists and had no dentists on staff that could visit the nursing homes, as Mr. Granzier had promised.
15. Tooth Protectors offered hygienist services in the participating nursing homes for several months. Tooth Protectors withdrew from the program in October 2010.
16. Throughout the time that Dental2U was operating in Maine, Mr. Granzier was never able to arrange for dentists to visit the participating nursing homes.
17. Mr. Granzier contends that he did try to locate a dentist before and after he entered into a partnership with Tooth Protectors. Mr. Granzier sent letters dated October 21, 2010, and May 19, 2011, which provided updates to participants on his efforts to locate a dentist. The October 21, 2010 letter also advised participants that if they were dissatisfied with the provider situation, they could disenroll from the program by calling a toll-free number.
18. In October 2010, a nursing home administrator filed a complaint with the Bureau of Insurance about the Dental 2U program, complaining specifically about the failure to provide dentists to visit the nursing homes as promised by Mr. Granzier.
19. As a result of the complaint investigation by the Bureau, Madison Life reimbursed all Maine policyholders of the dental insurance policy sold by Mr. Granzier for all premiums they paid minus any claims paid by the insurer.
20. By July 2011, no policyholders remained enrolled in the Dental 2U program in Maine.

#### **APPLICABLE LAW**

21. Title 24-A M.R.S.A. § 1420-K(1)(H) provides that 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 using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this State or elsewhere.
22. Title 24-A M.R.S. § 2153 provides in part that no person shall make, issue, circulate, or cause to be made, issued or circulated any statement misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby.
23. Title 24-A M.R.S. § 2154 provides in part that no person shall make, publish, circulate or place before the public, or cause, directly or indirectly, to be made, published,

disseminated, circulated or placed before the public in the form of a pamphlet or in any other way a statement containing any assertion, representation or statement with respect to the business of insurance in a manner that is untrue deceptive or misleading.

24. Title 24-A M.R.S. § 2152 prohibits any person from engaging in any practice defined by Chapter 23 of the Insurance Code as an unfair trade practice. Title 24-A M.R.S. § 2152-B defines as an unfair trade practice the selling, solicitation, or negotiation of health insurance in Maine through the use of cold lead advertising. "Cold lead advertising" is defined as making use directly or indirectly of a method of marketing that fails to disclose in a conspicuous manner that a purpose of the marketing is insurance sales solicitation and that contact will be made by an insurance producer or insurance company.

### COVENANTS

25. Mr. Granzier admits to the Facts as stated above and admits that these Facts constitute a basis for imposing discipline against him as follows:

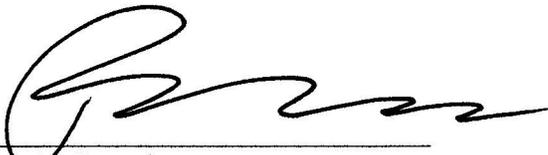
- a. By marketing dental insurance to Maine nursing home residents as part of a service to bring dentists into the nursing homes to provide on-site services, and then failing to arrange for such services, in violation of 24-A M.R.S. § 1420-K(1)(H);
- b. By causing Maine nursing home residents to be billed for insurance coverage marketed to them as a service to bring dentists into nursing homes to provide on-site services without an unconditional commitment from a dental provider to provide such services, in violation of 24-A M.R.S. § 1420-K(1)(H);
- c. By circulating a pamphlet to Maine nursing home administrators and residents misleadingly stating that Dental 2U "contracted with a leading national mobile dental company to deploy dentists to visit the facility regularly," in violation of 24-A M.R.S. §§ 1420-K(1)(H) & 2154;
- d. By circulating a pamphlet to Maine nursing home administrators and residents falsely and misleadingly stating that the Madison Life dental coverage was an "individual policy," in violation of 24-A M.R.S. §§ 1420-K(1)(H), 2153, & 2154;
- e. By circulating a pamphlet to Maine nursing home administrators and residents that did not disclose in a conspicuous manner that a purpose of the marketing was insurance sales solicitation and that contact will be made by an insurance producer or insurance company, in violation of 24-A M.R.S. §§ 2152 & 2152-B;

26. Mr. Granzier agrees that his Maine non-resident producer license, Number PRN167463, will be revoked as of the date of the Superintendent's signature below, which signature shall constitute the Superintendent's action of revoking his license.

27. Upon revocation, Mr. Granzier will not participate in any manner in the conduct of an insurance business entity in this State, including without limitation Dental 2U or any similar program.
28. Mr. Granzier agrees to the imposition of a civil penalty in the amount of One Thousand Dollars (\$1,000). Payment shall be by check or money order made out to "Treasurer, State of Maine" and delivered to the Bureau no later than September 13, 2013.
29. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.
30. In consideration of Mr. Granzier's execution of and compliance with the terms of this Consent Agreement, the Superintendent and Attorney General agree to forgo pursuing against Mr. Granzier any further disciplinary measures or other civil or administrative sanctions available under the Maine Insurance Code concerning the specific conduct described in this Consent Agreement, other than those agreed to herein. However, should Mr. Granzier violate any provision of this Consent Agreement, he may be subject to any available remedy for the violation. Mr. Granzier further acknowledges and agrees that, upon execution of this Consent Agreement, each of the Covenants herein shall constitute an order of the Superintendent.
31. This Consent Agreement is enforceable by an action in Maine Superior Court.
32. This Consent Agreement is not subject to appeal. Mr. Granzier waives any further hearings or appeals regarding the matters that are the subject of this Consent Agreement.
33. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto. Any decision to modify, continue, or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.
34. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access Law, 1 M.R.S.A. §§ 401 through 410, will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.
35. Mr. Granzier agrees that he has read this Consent Agreement, that he understands this Consent Agreement, that he has reviewed the statutory provisions set forth herein, that he understands his right to consult with counsel before signing this Consent Agreement, and that he enters into this Consent Agreement voluntarily and without coercion of any kind from any person.

**PAUL A. GRANZIER**

Dated: August 19, 2013

By:   
Paul A. Granzier

**THE MAINE SUPERINTENDENT OF  
INSURANCE**

Dated: August 27, 2013

By:   
Eric A. Cioppa  
Superintendent of Insurance

**THE MAINE OFFICE OF THE  
ATTORNEY GENERAL**

Dated: August 22, 2013

By:   
Jonathan R. Bolton  
Assistant Attorney General