

DOCKET NO. MCINS 98-06

**In Re:
Carolyn C. Kinne**

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CONSENT AGREEMENT

This document is a Consent Agreement, authorized by 5 M.R.S.A. § 9053(2) entered into by and among Carolyn C. Kinne and the Staff of the Maine Bureau of Insurance. Its purpose is to resolve, without resort to an adjudicatory proceeding, issues relative to the above individual's privilege to be licensed as an insurance producer in the State of Maine.

STIPULATIONS

1. Carolyn C. Kinne is a licensed life and health insurance producer, license #PRR000000036919.

2. The **Superintendent of Insurance** (hereinafter, "Superintendent") is the official charged with administering and enforcing Maine's insurance laws and rules.

3. This proceeding arises as a result of an investigation by the Superintendent of Insurance into the activities of Carolyn C. Kinne as her activities pertain to the sale of insurance products as a licensed insurance producer in the State of Maine. Carolyn C. Kinne acknowledges that she engaged in the following conduct and that such conduct violates Title 24-A M.R.S.A. §§ 1417 (E) & (H) , 1448 (2)(C), and 2154:

1. On or about, April 7, 1995, Agent Carolyn C. Kinne sold a PFL Life Insurance Company (PFL) Basic Hospital Expense policy to Michael Bridges. The Bridges purchased this policy based upon Agent Kinne's explanation that it would provide better coverage than their old policy and would cost less. It was not until Mrs. Bridges had incurred health expenses that they realized that the coverage they had purchased was substantially less than described by Agent Kinne and far less then their prior health insurance. This activity by Agent Carolyn Kinne constitutes a violation of Title 24-A §1417 (E) & (H) and §1448 (2)(C).
2. On or about September 29,1995, Agent Carolyn Kinne, sold a PFL Life Insurance Company Basic Hospital Expense policy, # 7802159743 to Gloria L. Avner. Ms. Avner specifically asked Agent Kinne if the policy deductible was annual or per hospital stay. Agent Kinne responded that it was an annual deductible. Ms. Avner also asked if she would be responsible for any additional room & board cost if the actual rate exceeded her benefit level. Agent Kinne responded that PFL had a contractual agreement with her local hospital whereby the hospital would accept her benefit as full payment. Ms. Avner attempted to confirm this information with her local hospital and was told by the hospital that no such agreement existed. This activity by Agent Carolyn Kinne constitutes a violation of Title 24-A §1417 (E) & (H) and §1448 (2)(C).
3. On or about October 1995, Agent Carolyn Kinne, sold a PFL Life Insurance Company Basic Hospital Expense policy, #740802160508, to Jacqueline Williams. Agent Kinne misrepresented the pre-existing condition limitations of the policy and the prescription

benefits program offered by the National Association for the Self-Employed. This activity by Agent Carolyn Kinne constitutes a violation of Title 24-A §1417 (E) & (H) and §1448 (2)(C).

4. On or about November 3, 1995, Agent Carolyn Kinne, sold a PFL Life Insurance Company Basic Hospital Expense policy, # 740052168440 to Ms. Bobbie-Kim Johnson. Ms. Johnson was very specific in describing their need for a comprehensive policy such as their current Blue Cross policy. Agent Kinne represented the PFL policy as a comprehensive policy designed to replace their Blue Cross Health Choice policy. Based upon Agent Kinne's presentation, the Johnsons purchased the PFL policy. It was not until they received their policy and read it that they realized that they had purchased a basic hospitalization policy with very limited coverage in relation to their prior coverage. This activity by Agent Carolyn Kinne constitutes a violation of Title 24-A §1417 (E) & (H) and §1448 (2)(C).
5. On or about November 1995, Agent Carolyn Kinne, sold a PFL Life Insurance Company (PFL) Basic Hospital Expense policy, #7802172318, to Deanna L. O'Keefe. Agent Kinne misrepresented the pre-existing condition limitations and the hospitalization deductible to both Ms. O'Keefe and her employer, Inva M. Hanscom. This activity by Agent Carolyn Kinne constitutes a violation of Title 24-A §1417 (E) & (H) and §1448 (2)(C).
6. In early 1996, Agent Carolyn Kinne, sold a PFL Life Insurance Company (PFL) Basic Hospital Expense policy, # 7802203574, to Jane and Gerald Smith, with an effective date of March 1, 1996. Mr. Smith claims he changed from a Blue Cross/Blue Shield policy to the PFL policy based on the availability of dental insurance and the fact that Agent Kinne claimed the policy covered 100% of all medical expenses resulting from an accident. On March 13, 1996, Mr. Smith suffered a broken leg in a skiing accident. As a result of this accident, Mr. Smith learned that his PFL policy did not cover 100% of medical costs relating to an accident. This activity by Agent Carolyn Kinne constitutes a violation of Title 24-A §1417 (E) & (H) and §1448 (2)(C).
7. Agent Carolyn Kinne's appointments with PFL Life Insurance Company and MEGA Life and Health Insurance Company were terminated effective April 11, 1996. On April 29, 1996, Agent Kinne visited the residence of Clayton Huntley. Mr. Huntley had contacted Agent Kinne for the purpose of raising his deductible on his PFL health insurance policy. Mr. Huntley states that Agent Kinne had a group of papers for him to sign and required a check in the amount of \$205.61. Not until he received a new policy in the mail did he realize that Agent Kinne had changed his health insurance company without his knowledge. After numerous phone calls, Mr. Huntley made phone contact with Agent Kinne and asked why she had replaced their PFL policy. Agent Kinne offered no explanation. Mr. Huntley then asked why he could not stay with PFL, to which Agent Kinne responded that PFL had gone under. This activity by Agent Carolyn Kinne demonstrates violation of Title 24-A §1417 (E) & (H), §1448 (2)(C) and §2154.
8. On or about February 1997, Agent Carolyn Kinne, sold an Anthem Health and Life Insurance Company, Major Medical Plan policy, #L75140, to Rebecca Thompson. Ms. Thompson's previous health insurance was an HMO policy with Blue Cross/Blue Shield. Ms. Thompson provided Agent Kinne with a copy of the HMO policy and instructions that she wanted a policy with the same coverage. Agent Kinne misrepresented the Anthem Health and Life Insurance Company policy as being identical to the Blue

Cross/Blue Shield HMO. This activity by Agent Carolyn Kinne constitutes a violation of Title 24-A §1417 (E) & (H) and §1448 (2)(C).

COVENANTS

4. Carolyn C. Kinne and the Staff of the Maine Bureau of Insurance agree to the following:
1. The Superintendent may issue a **Consent Order** in this matter in the form agreed upon by the parties. (A copy is attached);
 2. A formal hearing in this matter is waived and no appeal will be made;
 3. Carolyn C. Kinne agrees to a revocation of her insurance producer license. Pursuant to Title 24-A M.R.S.A. § 1418, Ms. Kinne may reapply to become relicensed as an insurance professional one year from the effective date of the Consent Order. The Staff, at the time of application, may object to Ms. Kinne's application, at which time Ms. Kinne is entitled to a hearing;
 4. The Staff reserves the right to request restitution pursuant to Title 24-A M.R.S.A. § 12-A at a later date; and
 5. The **Consent Order** shall be final upon execution by the Superintendent and conclusive between the parties as to all matters which were subject of the investigation.

MISCELLANEOUS

5. Carolyn C. Kinne understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402 and will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408.

6. It is understood by the parties to this Agreement that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.

Dated:

Carolyn C. Kinne

Subscribed to before me this _____ day of _____, 1997.

Notary Public

Dated:

Kathryn Davis
Staff Attorney
Maine Bureau of Insurance

Dated:

Linda Pistner
Assistant Attorney General

**STATE OF MAINE
DOCKET NO. MCINS 98-06**

CAROLYN C. KINNE

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CONSENT ORDER

This proceeding arises as a result of an investigation by the Superintendent of Insurance. Having reviewed the *Consent Agreement* of the parties to this proceeding, the Superintendent hereby accepts the *Agreement* as a basis for this **Consent Order** and a finding of violations of Title 24-A M.R.S.A. §§ 1417(1) (E) & (H), 1448 (2)(C), and 2154. A copy of said Agreement is attached and incorporated by reference.

It is **HEREBY ORDERED** that Carolyn C. Kinne, a producer licensed to do business in the State of Maine, is subject to the following disciplinary action:

1. Carolyn Kinne's insurance producer license is revoked. After the effective date of this Order, Carolyn C. Kinne may not participate in any manner in the conduct of an insurance agency or insurance brokerage, consulting or adjusting business. Ms. Kinne may no longer derive, or continue to derive, any compensation, by whatever name called, based on the operation of an insurance agency or other firm in which the person was engaged or employed prior to the revocation.

This *Consent Order* shall be final upon execution and conclusive between the parties as to all matters which were subject of the investigation.

PER ORDER OF THE SUPERINTENDENT, THE EFFECTIVE DATE OF THIS ORDER IS

April 10, 1998.

Dated:

**ALESSANDRO IUPPA
Superintendent of Insurance**