



JOHN ELIAS BALDACCI
GOVERNOR

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

ALESSANDRO A. IUPPA
SUPERINTENDENT

***IN RE* R. JAMES DEPREY**

DOCKET NO. INS-03-436

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CONSENT AGREEMENT

R. James Deprey, the Maine Superintendent of Insurance, and the Maine Office of the Attorney General hereby enter into this Consent Agreement pursuant to 10 M.R.S.A. § 8003(5)(B) to resolve, without an adjudicatory proceeding, issues arising out of Mr. Deprey’s conduct under a license issued by the Superintendent.

Stipulations

1. The Superintendent is the official charged with administering and enforcing the insurance laws of the State of Maine.
2. Reynold James Deprey is a resident of Fort Kent, Maine. Mr. Deprey is licensed by the Superintendent as a resident insurance producer, License No. PRR2552. His national producer identification number is # 3683748.
3. Combined Management, Inc. (CMI) is an employee leasing company with a principal place of business in Auburn, Maine. CMI is registered with the Superintendent pursuant to 32 M.R.S.A. § 14052, Registration No. ELD34330.
4. CMI formerly secured its clients’ workers’ compensation obligations, in accordance with 32 M.R.S.A. § 14055(2)(A) and Bureau of Insurance Rule 560, through a master policy issued to CMI by the Virginia Surety Company. That policy expired on May 2, 2003, and was not renewed.
5. Mr. Deprey placed replacement coverage for CMI with the Maine Employers’ Mutual Insurance Company (MEMIC). MEMIC offered to cover CMI’s clients through multiple coordinated policies, a procedure that entailed a separate application by each client. The application form requires both an applicant’s signature and a producer’s signature.
6. Mr. Deprey submitted 82 applications to MEMIC on behalf of CMI’s clients for coverage effective May 2, 2003, signing each of those applications as producer. On three of those applications, for Policy No. 1810068694 issued to client “CCCI,” for Policy No. 1810068728



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issued to client "NCLLC," and for Policy No. 1810068708 issued to client "HAC," Mr. Deprey was unable to obtain signatures of authorized representatives of the applicants before the applications were submitted to MEMIC.

7. Instead, Mr. Deprey signed each of those three applications a second time as "applicant," using a fraudulent signature and disguising his handwriting.

8. Mr. Deprey then submitted these applications to MEMIC as though the "applicant" signatures were true signatures by authorized representatives of the three clients.

9. Mr. Deprey's acts of forgery and submission of the fraudulent applications violated 24-A M.R.S.A. §§ 1420-K(1)(J) and 2186(2).

Covenants

R. James Deprey, the Superintendent, and the Office of the Attorney General agree to the following:

10. 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.

11. This Consent Agreement was entered into in reliance on Mr. Deprey's representations that all of the remaining CMI applications were signed by duly authorized representatives of the applicants. Mr. Deprey warrants that he has made full and accurate disclosure, and agrees that any material inaccuracy would constitute a violation of this Consent Agreement.

12. Mr. Deprey agrees to a term of probation commencing upon the execution of this Consent Agreement and extending through December 31, 2005, and to the suspension of his insurance producer license for a period of 180 days, all but three weeks deferred pending the satisfactory completion of probation.

13. Mr. Deprey's license shall be suspended from February 1, 2004, through February 21, 2004. During that period, Mr. Deprey may not engage in insurance producer activities as defined in the Maine Insurance Code, Title 24-A of the Maine Revised Statutes, and may not participate in the business of an insurance agency or receive compensation to the extent prohibited by 24-A M.R.S.A. § 1412.

14. If Mr. Deprey violates the Maine Insurance Code, other applicable law, or any order of the Superintendent at any time during his term of probation, the Superintendent has the discretion to require Mr. Deprey to serve all or any part of the remaining 159 days of the license suspension, in addition to any penalty that might be imposed for the underlying violation.

15. During the term of probation, Mr. Deprey shall promptly report to the Superintendent any investigations, proceedings, and customer complaints of any type, written or oral, concerning his activities in the insurance industry.

16. Mr. Deprey agrees to the imposition of a civil penalty of \$1000, pursuant to 24-A M.R.S.A. § 12-A(1), for each of the three wrongful acts admitted herein, and shall submit a check for

\$3000, payable to the Treasurer of the State of Maine, which must be received no later than March 1, 2004.

17. In consideration of Mr. Deprey's execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil or administrative sanction for the violations described in the Stipulations, other than those agreed to in this Consent Agreement. However, should Mr. Deprey violate this Consent Agreement, the Superintendent reserves the right to pursue any available legal remedy for the violation, including without limitation the suspension or revocation of all licenses issued to Mr. Deprey by the Superintendent.

18. The parties to this Agreement understand that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.

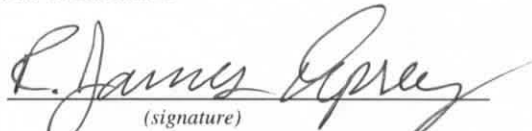
19. Mr. Deprey understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and will be reported to the National Association of Insurance Commissioners' "RIRS" database.

20. Mr. Deprey has been advised of his right to consult with counsel, and has been given the opportunity to consult with counsel before executing this Agreement.

21. This Consent Agreement may be modified only by a written agreement executed by all of the parties.

BY R. JAMES DEPREY

Dated: 1-5-04


(signature)

Personally appeared before me this day Reynold James Deprey, and signed this Consent Agreement in my presence.


Notary Public SANDRA MARTIN
Notary Public, Maine
My Commission Expires May 7, 2007


FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: 1-7-04


Andrew L. Black, AAG

BY THE SUPERINTENDENT OF INSURANCE

Dated: 1-11-04


Alessandro A. Iuppa, Superintendent