



CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

1000 Washington Street • Suite 810 • Boston, MA 02118-6200
(617) 521-7794 • FAX (617) 521-7475
<http://www.mass.gov/doi>

JAY ASH
SECRETARY OF HOUSING AND
ECONOMIC DEVELOPMENT

JOHN C. CHAPMAN
UNDERSECRETARY

DANIEL R. JUDSON
COMMISSIONER OF INSURANCE

August 28, 2015

Steven Gullotti
Gullotti Insurance Agency, Inc.
25 Dudley Rd.
Billerica, MA 01821

RE: Gullotti Insurance Agency, Inc. - SIU Investigation Case No. 9033

Dear Mr. Gullotti:

I represent the Massachusetts Division of Insurance (“Division”) with regard to the above-captioned investigation. The Division has cause to believe that Gullotti Insurance Agency, Inc. (“GIAI”) violated the Massachusetts insurance laws as set forth below.

An investigation by the Division revealed that GIAI submitted a Broker of Record form dated August 19, 2014 to Arbella Protection Insurance Company indicating that Andres Encarnacion moved his business from Waverly Insurance Agency to GIAI. The Division confirmed with Mr. Encarnacion that he did not sign any such form and never had any intention of moving his business from Waverly Insurance Agency. Mr. Encarnacion subsequently moved his business back to Waverly Insurance Agency on November 13, 2014. When contacted by the Division, you indicated that while you don’t have a signed application on file from Mr. Encarnacion, Mr. Encarnacion completely understood that he was moving his policy over to you, and that you would never put your license or your agency’s license in jeopardy over an account.

The Division alleges that GIAI violated M.G.L. c. 175, §162R(a)(8) by using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in the commonwealth or elsewhere. The penalty for a violation of M.G.L. c. 175, §162R(a)(8) is a fine of up to \$1000.00. The Division further alleges GIAI violated M.G.L. c. 176D, §2 by engaging in a trade practice that is an unfair or deceptive act or practice in the business of insurance. The penalty for a violation of M.G.L. c. 176D, §2 is a fine of not more than \$1000.00.

The Division is authorized to issue an order requiring GIAI to show cause why it should not be made to cease and desist from the above-alleged conduct. If, after a public hearing, the Commissioner of Insurance finds that GIAI did commit the alleged violations, GIAI may be liable for fines up to the amounts listed above and having its Massachusetts business entity insurance producer license placed on probation, suspended or revoked.

The Division proposes to resolve this matter through a settlement if GIAI agrees to waive the right to a public hearing, agrees to cease and desist from the above-alleged conduct, and to pay a fine of **\$1000.00**. If GIAI chooses to accept the Division's offer, please have an authorized individual sign this settlement letter where indicated below, and return it to my attention along with a check made payable to the Commonwealth of Massachusetts on or before **September 30, 2015**.

The Division considers the acceptance of this settlement to constitute a reportable administrative event which should be included on GIAI's next Massachusetts license renewal application. GIAI also may be required to report this action in other jurisdictions where GIAI holds an insurance producer license. This Agreement shall be construed under and governed by the laws of the Commonwealth of Massachusetts.

If this matter is not resolved by **September 30, 2015**, the Division will file its Order to Show Cause and will notify GIAI of the hearing date in accordance with applicable statutory notice requirements and procedures.

Thank you for your prompt attention to this matter. Should you have any questions or wish to discuss this matter further, please contact me at (617) 521-7364.

Sincerely,

Mary Ellen Thompson
Counsel to the Commissioner
Commonwealth of Massachusetts
Division of Insurance
1000 Washington Street, Suite 810
Boston, Massachusetts 02118

Signed: Authorized Representative of:
Gullotti Insurance Agency, Inc.

By: Mary Ellen Thompson
Counsel to the Commissioner

Name: _____

Signature: _____

Title: _____

Date: _____

Date: _____