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

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DANIEL R. JUDSON  
COMMISSIONER OF INSURANCE

December 10, 2015

Mark Stephen Balcos  
Wood River Insurance, Inc.  
410 North Main Street  
Hailey, Idaho 83333

RE: Wood River Insurance, Inc. - SIU Investigation Case No. 8923

Dear Ms. Kelly:

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

According to Division licensing records, Wood River allowed its Massachusetts business entity insurance producer license to lapse on June 15, 2013 and sold insurance in Massachusetts from that time until a new business entity insurance producer license was processed on February 6, 2014. The Division alleges that Wood River wrote three Massachusetts insurance policies during the unlicensed period, resulting in premiums of \$13,204.00 and \$1,879.00 in commissions.

The Division alleges that Wood River committed three violations of M.G.L. c.175, § 175. The penalty for each violation is a fine of not less than ten nor more than one hundred dollars. The Division also alleges that each violation of M.G.L. c. 175, § 175 is a violation of M.G.L. c. 175, §162R(a)(2). The penalty for each violation of M.G.L. c. 175, § 162R(a)(2) is a fine of not more than \$1,000.00 pursuant to M.G.L. c. 176D, § 7 and having the Agency’s Massachusetts business entity insurance producer license placed on probation, suspended or revoked.

The Division is authorized to issue an order requiring Wood River 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 Wood River did commit the alleged violations, Wood River 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 Wood River 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 **\$150.00**. If Wood River 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 **January 6, 2016**.

The Division considers the acceptance of this settlement to constitute a reportable administrative event which should be included on Wood River's next Massachusetts license renewal application. Wood River may also be required to report this event to any other state in which it is licensed. This Agreement shall be construed under and governed by the laws of the Commonwealth of Massachusetts.

If this matter is not resolved by **January 6, 2016**, the Division will file its Order to Show Cause and will notify Wood River 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.

Very truly yours,

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:  
Wood River Insurance, Inc.

By: Mary Ellen Thompson  
Counsel to the Commissioner

Name: \_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_