



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 • Toll-free (877) 563-4467
<http://www.mass.gov/doi>

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AND BUSINESS REGULATION

DANIEL R. JUDSON
COMMISSIONER OF INSURANCE

May 4, 2016

Elaine Anelli
Senior Compliance Consultant
Premier Insurance Company of Massachusetts
One Tower Square, 21MS
Hartford, Connecticut 06183

RE: Premier Insurance Company of Massachusetts – SIU Investigation No. 9238

Dear Ms. Anelli:

I represent the Massachusetts Division of Insurance (“Division”) with regard to the above-captioned investigation. Pursuant to an investigation conducted by the Division’s Special Investigations Unit, the Division has cause to believe that Premier Insurance Company of Massachusetts (“Premier”) has violated the Massachusetts insurance laws set forth below by the conduct detailed in this settlement letter.

This case was opened on April 18, 2016 after the Division received a referral from the Insurance Fraud Bureau in regards to Samuel Bicalho violating the revocation of his Massachusetts insurance producer license. Bicalho’s insurance producer license had been revoked by the Division on or about September 17, 2014 and notification of his revocation was posted on the Division’s website on October 22, 2014. Subsequently, on or about May 3, 2016, you provided the Division with a letter indicating that between October 22, 2014 through April 14, 2015, Premier produced and/or renewed 5 policies with Bicalho, resulting in \$2,361 in premium and \$294.64 in commissions paid to Bicalho.

The Division alleges that Premier committed at least 5 violations of M.G.L. c. 175, § 177 by directly paying an unlicensed insurance producer. The penalty for each violation of M.G.L. c. 175, § 177 is a fine of not less than \$50 and not more than \$500. The Division also alleges that each violation of M.G.L. c. 175, § 177 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 you to show cause as to why Premier should not be made to cease and desist from the above alleged conduct. If, after a public hearing, the Commissioner of Insurance finds that Premier did commit the alleged violations, he may impose a

fine up to the amounts listed above and order that Premier's Massachusetts Business Entity Insurance License be placed on probation, suspended or revoked.

The Division proposes to resolve this matter through a settlement if Premier agrees to waive the right to a public hearing, agree to cease and desist from the above-alleged conduct and **agree to pay a fine of \$250**. If Premier chooses to accept the Division's offer, please have an authorized individual sign this settlement letter where provided below and return it to my attention along with a check made payable to the Commonwealth of Massachusetts, no later than **May 20, 2016**.

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

Although this correspondence does not constitute the required statutory notice of a public hearing, if this matter is not resolved by **May 20, 2016**, the Division intends to file its Order to Show Cause and will notify Premier of the hearing date.

Thank you for your prompt attention to this matter. Should you have any questions or wish to discuss this matter further, I may be reached at (617) 521-7321 or Matthew.Burke@state.ma.us.

Sincerely,

Matthew M. Burke
Counsel to the Commissioner

SIGNED: Elaine Anelli
Premier Insurance Company of Massachusetts

NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____