



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

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DANIEL R. JUDSON
COMMISSIONER OF INSURANCE

May 3, 2016

Lauren Leydon
Premium Accounting Manager
Quincy Mutual Fire Insurance Company
57 Washington Street
Quincy, Massachusetts 02169

RE: Quincy Mutual Fire Insurance Company – SIU Investigation No. 9239

Dear Ms. Leydon:

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 Quincy Mutual Fire Insurance Company (“Quincy Mutual”) has violated the Massachusetts insurance law 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 Bicalho’s insurance producer license had been revoked by the Division on or about September 17, 2014 and notification of his revocation was posted on the Division’s website on October 22, 2014.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 April 15, 2016, you provided the Division with a letter indicating that between October 22, 2014 through April 14, 2015, Quincy Mutual produced and/or renewed 3 policies with Bicalho, resulting in \$9,912 in premium and \$873.09 in commissions paid to Bicalho.

The Division alleges that Quincy Mutual committed at least 3 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 you should not be made to cease and desist from the above alleged conduct. If, after a public hearing, the

Commissioner of Insurance finds that Quincy Mutual did commit the alleged violations, he may impose a fine up to the amounts listed above and order that Quincy Mutual's Massachusetts Business Entity Insurance License be placed on probation, suspended or revoked.

The Division proposes to resolve this matter through a settlement if Quincy Mutual 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 \$150**. If Quincy Mutual 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 Quincy Mutual's next Massachusetts business entity license renewal application. Quincy Mutual also may be required to report this action in other jurisdictions where they hold an insurance producer 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 Quincy Mutual 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@MassMail.state.ma.us.

Sincerely,

Matthew M. Burke
Counsel to the Commissioner

SIGNED: Lauren Leydon
Quincy Mutual Fire Insurance Company

NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____