



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

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JULIANNE M. BOWLER
COMMISSIONER OF INSURANCE

Division of Insurance, Petitioner
v.
Teresa Ann Healey, Respondent

Docket No. E2006-07

Order on Petitioner's Motion for Summary Decision

Introduction and Procedural History

On April 11, 2006 the Massachusetts Division of Insurance (“Division”) filed an Order to Show Cause (“OTSC”) against Teresa Ann Healey (“Healey”), who is currently licensed as a Massachusetts insurance producer. Healey received a broker license on or about March 29, 1983, and an agent license on or about December 7, 1987. Her broker license was converted into a producer license on or about May 16, 2003.

The Division alleges in the OTSC that Healey conducted business under the name of Healey Insurance Agency, even though that name was not on her producer license; and that on or about May 17, 2005, the Division received a copy of a termination agreement between Healey Insurance Agency and Royal & SunAlliance. It alleges that on or about July 25, 2005, the Division sent Healey a letter requesting information, but Healey failed to respond to the request. It further alleges that on or about October 19, 2005, Division investigators went to Healey’s residence and hand delivered a second request for information¹ to which Healey failed to respond. The Division alleges that an investigator called and left Healey a message, requesting that Healey call the Division to avoid being found in violation of G.L. c. 176D, §5, but she failed to respond to the message.

¹ The person who accepted the request was purportedly Healey’s father.

The Division seeks orders that Healey has violated G.L. c. 175, §162(R)(a)(2) by: conducting business as the Healey Insurance Agency when that name is not on her producer license, a violation of G.L. c. 175, §175 and c. 176D, §2; and repeatedly failing to respond to requests for information, a violation of G.L. c. 176D, §5. It asks for findings on the allegations set forth in the OTSC and an order revoking her license and requiring the disposition of any and all insurance interests in the Commonwealth in accordance with G.L. c.175, §166B. The Division further seeks an order requiring submission of all insurance licenses to the Division; prohibition of any direct or indirect transaction or acquisition of insurance business in any capacity; the imposition of fines; and an order that all fines be paid in 30 days.

A Notice of Procedure ("Notice"), was issued on April 12, advising Healey that a prehearing conference would take place on May 11 at the offices of the Division, a hearing on the OTSC would be held on May 25, also at the Division, and that the proceeding would be conducted pursuant to G.L. c. 30A and the Standard Adjudicatory Rules of Practice and Procedure, 801 CMR 1.00, *et seq.* The Notice advised Healey to file an answer pursuant to 801 CMR 1.01(6)(d) and that, if she failed to do so, the Division might move for an order of default, summary decision or decision on the pleadings granting it the relief requested in the OTSC. It also notified Healey that, if she failed to appear at the prehearing conference or hearing, an order of default, summary decision or decision on the pleadings might be entered against her. The Commissioner designated me as presiding officer for this proceeding.

On April 12, the Division sent the Notice and OTSC by certified and first class mail to the Respondent at her mailing address as it appears on the Division's records: 37 Border Road, Reading, MA 01867. The post office returned the certified mail to the Division, noting that it had attempted delivery but that the item was unclaimed. The first class mail was not returned. Healey filed no answer or other responsive pleading.

On May 11, a prehearing conference was held, pursuant to 801 CMR 1.01(10)(a). Mr. Douglas Hale, Esq., appeared for the Division. Neither Healey nor any person representing her appeared. Mr. Hale reported that he had received no communication from the Respondent or from any person purporting to represent her. On May 11, the Division filed a motion for summary decision, which it served on the Respondent by first

class mail. The grounds for the Division's motion were the Respondent's failure to file an answer to the OTSC within the time prescribed by the Standard Adjudicatory Rules of Practice and Procedure and her failure to appear at the scheduled prehearing conference. An order was issued on May 12 advising Healey to file any response to the Division's motion by May 19, and stating that any argument on the motion would be heard on May 25. The order was sent by first class mail. Healey filed no response to the Division's motion.

At the hearing on May 25, Mr. Hale stated that he had received no communications from the Respondent or any person representing her. Neither Healey nor any representative for her appeared at the hearing.

Finding of Default

On the basis of the record before me, I conclude that the Division took appropriate actions to ensure that proper and sufficient service was made on the Respondent. The OTSC and Notice were sent to the Respondent at the mailing address shown on the Division's licensing records. I conclude that Healey's failure to answer the OTSC or to respond to the Division's motion, and her failure to appear at the scheduled prehearing conference and at the hearing warrant a finding that she is in default. By her default, Healey has waived her right to proceed further with an evidentiary hearing in this case and I may consider the Division's motion for summary decision based solely upon the OTSC.

Findings of Fact and Conclusions of Law

On the record before me, consisting of the OTSC, I find the following facts:

1. Healey received a broker's license on or about March 29, 1983, which was converted into a producer license on or about May 16, 2003;
2. She was issued an agent license on or about December 7, 1987;
3. Healey conducted insurance business under the appellation Healey Insurance Agency;
4. On or about May 17, 2005, the Division received a copy of a termination agreement between Healey Insurance Agency and Royal & SunAlliance;
5. On or about July 25, 2005, a Division investigator sent Healey a letter requesting information, but Healey failed to respond;

6. On or about October 19, 2005, two Division investigators went to Healey's residence and hand delivered a request for more information, but Healey failed to respond;
7. A Division investigator left Healey a message asking her to call the Division in order to avoid being found in violation of G.L. c. 176D, §5, but Healey failed to respond.

G.L. c. 175, §162R (a), in pertinent part, permits the Commissioner to suspend or revoke an insurance producer's license and to levy civil penalties in accordance with G.L. c. 176D, §7 for reasons that include violating insurance laws.

On the basis of these findings and the OTSC, I conclude that there is sufficient support for revocation of Healey's Massachusetts producer license. Healey violated the insurance laws under G.L. c. 175, §162R(a)(2) by failing to cooperate with an investigation authorized by the Commissioner and failing to respond to three information requests in violation of G.L. c. 176D, §5. Accordingly, I find that Healey has violated G.L. c. 175, §162R(a)(2) and G.L. c. 176D, §5.

I did not have sufficient evidence to make any findings about Healey's alleged violations of G.L. c. 176D, §2 and G.L. c. 175, §175, however, because the Division did not provide a copy of Healey's producer license, any evidence of the exact name on her license or how that name differs from the name Healey used for her insurance agency.

I therefore revoke the Massachusetts producer license issued to Teresa Ann Healey and impose a fine of \$3,000, a maximum fine of \$1,000 for each failure to respond pursuant to G.L. c. 175, §162R(a)(2).

ORDERS

Accordingly, after due notice, hearing and consideration it is

ORDERED: That any and all insurance producer licenses issued to Teresa Ann Healey by the Massachusetts Division of Insurance are hereby revoked; and it is

FURTHER ORDERED: That Teresa Ann Healey shall return to the Massachusetts Division of Insurance any licenses in her possession, custody or control; and it is

FURTHER ORDERED: That Teresa Ann Healey is, from the date of this order, prohibited from directly or indirectly transacting any insurance business or acquiring, in

any capacity whatsoever, any insurance business in the Commonwealth of Massachusetts; and it is

FURTHER ORDERED: That Teresa Ann Healey shall comply with the provisions of G.L. c. 175, §166B and dispose of any and all interests in Massachusetts as proprietor, partner, stockholder, officer or employee of any licensed insurance producer; and it is

FURTHER ORDERED: That Teresa Ann Healey shall pay a fine of Three Thousand One Hundred Dollars (\$3,000) to the Massachusetts Division of Insurance within 30 days.

This decision has been filed this 13th day of July 2006, in the office of the Commissioner of Insurance. A copy shall be sent to Healey by certified mail, return receipt requested, as well as by regular first class mail, postage prepaid.

Amma A. Kokro, Esq.
Presiding Officer

Pursuant to G.L. c. 26, §7, this decision may be appealed to the Commissioner of Insurance.