



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

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GARY D. ANDERSON
COMMISSIONER OF INSURANCE

September 20, 2023

FloodSimple Insurance Service, Inc.
Stephen Schranke
1624 Market Street, Suite 106
Denver, Colorado 80202

RE: FloodSimple Insurance Service, Inc. - SIU Investigation No. 10102

Dear Mr. Schranke:

I represent the Massachusetts Division of Insurance ("Division") with regard to the above referenced investigation. Pursuant to an investigation conducted by the Division's Special Investigations Unit, the Division has cause to believe that FloodSimple Insurance Service, Inc. ("FloodSimple") has violated the Massachusetts insurance laws described by the conduct detailed below.

According to Division licensing records, the non-resident business entity producer license for FloodSimple expired for nonrenewal on or about September 10, 2021, and was not renewed until on or about August 4, 2023.

On or about August 4, 2023, the Division sent FloodSimple a letter which asked FloodSimple to provide the total number of new policies issued and renewed, the amount of premium received, and the amount of commissions received by FloodSimple during the unlicensed period. You responded via email stating that FloodSimple wrote 66 new policies and renewed 225 policies in Massachusetts during the unlicensed period, generating commissions totaling \$32,804.72.

The Division alleges that FloodSimple committed at least 291 violations of M.G.L. c. 175, § 175 by acting as a business entity insurance producer without being licensed. 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, having the agency's Massachusetts business entity insurance producer license placed on probation, suspended or revoked or a combination of these actions.

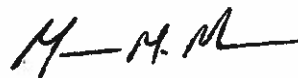
The Division proposes to resolve this matter through a settlement if FloodSimple agrees to waive the right to a public hearing, agrees to cease and desist from the above-alleged conduct and agrees to pay a fine of \$3,000. If FloodSimple accepts the Division's settlement offer in this letter, please 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 October 18, 2023.

The Division considers the acceptance of this settlement agreement to constitute a reportable administrative event which must be included on FloodSimple's next Massachusetts business entity producer license renewal application. FloodSimple also may be required to report this action in other jurisdictions where it holds a business entity insurance producer license. This settlement 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 October 18, 2023, the Division intends to file its Order to Show Cause and will notify FloodSimple 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 via email at Matthew.Burke@mass.gov.

Sincerely,



Matthew M. Burke
Counsel to the Commissioner

SIGNED: Authorized Representative of:
FloodSimple Insurance Services, Inc.

NAME: Stephen Schramke

SIGNATURE: Stephen Schramke

DATE: 10-13-23