



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

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CHARLES D. BAKER
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SECRETARY OF HOUSING AND
ECONOMIC DEVELOPMENT

JOHN C. CHAPMAN
UNDERSECRETARY

DANIEL R. JUDSON
COMMISSIONER OF INSURANCE

February 17, 2016

Christopher Terman
6407 Lugary Dr
Houston, TX 77036

RE: Christopher Terman – Massachusetts License No. 1998049
SIU Investigation No. 9398

VIA FIRST CLASS MAIL

Dear Mr. Terman:

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 you violated the Massachusetts insurance laws set forth below by the conduct detailed in this settlement letter.

This case was opened on February 7, 2017, after the Division discovered that you were the subject of an administrative action taken against you by Louisiana. Further investigation revealed that you had the following criminal convictions or pending criminal matters:

On July 13, 2005, in the District Court of Montgomery County, State of Texas, 221st Judicial District, in matter no. 04-10-08118-CR, you entered a plea of guilty to aggravated assault with a deadly weapon. The court deferred further proceedings without entering an adjudication of guilt, placed you on three years of probation with the condition that you complete community service. On February 15, 2007, your probation was revoked and the court convicted you of aggravated assault, a second degree felony in Texas.

On October 23, 2006, in the 180th District Court, Harris County, State of Texas, in matter no. 1051779, you entered a plea of guilty to assault – family member, a Class A misdemeanor in Texas.

On June 17, 2016, you were arrested for Indecent Exposure by the Plano (Texas) Police Department. You were arraigned on one misdemeanor count of indecent exposure September 7, 2016, in the Collin County County Court at Law 5, State of Texas, in matter no. 005-84898-2016. The docket indicates that you are scheduled to enter a plea of guilty on March 23, 2016. This was not reported to the Division.

As a result of your failure to disclose the two above referenced *convictions* your insurance producer license was denied by California; and revoked by Nevada and Louisiana.

The conduct described above is evidence of the following violations:

M.G.L. c. 175, § 162R (a)(1) . . . [t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty for . . . providing incorrect, misleading, incomplete or materially untrue information in the license application. Additionally, a violation is punishable by a fine up to one thousand dollars. M.G.L. c. 176D, § 7.

M.G.L. c. 175, § 162R (a)(2) . . . [t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty for . . . violating any insurance laws. Additionally, a violation is punishable by a fine up to one thousand dollars. M.G.L. c. 176D, § 7.

M.G.L. c. 175, § 162R (a)(3) . . . [t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty for . . . obtaining or attempting to obtain a license through misrepresentation or fraud. Additionally, a violation is punishable by a fine up to one thousand dollars. M.G.L. c. 176D, § 7.

M.G.L. c. 175, § 162R (a)(8) . . . [t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty for . . . using fraudulent, coercive or dishonest practices in the conduct of business. Additionally, a violation is punishable by a fine up to one thousand dollars. M.G.L. c. 176D, § 7.

M.G.L. c. 176D, §2 – No person shall engage in this commonwealth in any trade practice which is defined in this chapter as, or determined pursuant to section six of this chapter to be, an unfair method of competition or an unfair or deceptive act or practice in the business of insurance. A violation is punishable by a fine up to one thousand dollars. M.G.L. c. 176D, § 7.

M.G.L. c. 175, § 162V (a) . . . [a] producer shall report to the commissioner any administrative action taken against the producer . . . within 30 days of the final disposition of the matter. A violation is punishable by a fine of not more than five hundred dollars. M.G.L. c. 175, § 194.

M.G.L. c. 175, § 162V (b) . . . [a] producer shall report to the commissioner within 30 days of initial pretrial hearing date, and criminal prosecution of the producer. A violation is punishable by a fine of not more than five hundred dollars. M.G.L. c. 175, § 194.

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 you did commit the alleged violations, he may impose a fine up to the amounts listed above and order that your Massachusetts Insurance Producer License be placed on probation, suspended or revoked.

The Division proposes to resolve this matter **without fines** through a Settlement Agreement if you agree to waive your right to a hearing and agree to the revocation of your Massachusetts insurance producer license. If you choose to accept the Division's offer as set forth in the enclosed Settlement Agreement, please sign where provided and return to my attention by **March 3, 2017**.

Although this correspondence does not constitute the required statutory notice of a public hearing, if this matter is not resolved by **March 3, 2017**, the Division intends to file its Order to Show Cause and will notify you 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) 521-7471 or Scott.Peary@state.ma.us.

Sincerely,

Scott J. Peary
Chief Enforcement Counsel

Enclosure



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SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between the Commonwealth of Massachusetts, Division of Insurance (“Division”), and Christopher Terman (“Terman”) licensed as an insurance producer licensed under the laws of the Commonwealth of Massachusetts (“Commonwealth”) and with a current mailing address of: 6407 Lugary Dr Houston, TX 77036.

WHEREAS, Terman was licensed by the Division as an insurance producer pursuant to M.G.L. c. 175, § 162H *et seq.*;

WHEREAS, an insurance producer licensed in the Commonwealth must uphold the standards in M.G.L. c. 175, § 162H *et seq.* and must comply with the Commonwealth’s insurance laws, including without limitation, those set forth in M.G.L. c. 175 & M.G.L. c. 176D; the Code of Massachusetts Regulations; and any other regulatory requirements; each of which give the Commissioner of Insurance review, approval, and enforcement authority over licensees;

WHEREAS, the Division has conducted an investigation, Special Investigation Number 9398, and contends that the acts and conduct of Terman as set forth in the Division’s correspondence dated February 17, 2016, a copy of which is attached hereto, constitute grounds for revocation of Terman’s insurance license and the imposition of fines;

WHEREAS, Terman is aware of his rights to notice and to an administrative hearing with respect to the alleged violations of Massachusetts insurance laws in these matters, and hereby waives those rights.

NOW THEREFORE, in consideration of the foregoing and the covenants, warranties, representations, and agreements contained herein, it is mutually agreed as follows:

1. Terman agrees to have his Massachusetts insurance producer license permanently revoked by the Division.
2. Terman agrees to immediately cease and desist from the conduct outlined in the Division’s February 17, 2016 correspondence, a copy of which is attached hereto.

3. Except as expressly set forth in this Agreement, the failure of the Division at any time to require strict performance by Terman of any terms, provisions, or conditions hereof shall in no way affect the right thereafter to enforce the same, nor shall the waiver by the Division of any breach of any of the terms, provisions, and conditions hereof be construed or deemed a waiver of any succeeding breach of any term, provision, or condition thereof.

4. From the effective date of this Agreement, Terman is prohibited from soliciting, aiding in the placement, continuation, or negotiation of insurance policies or taking any action which may lead any person or entity to believe that they are authorized in the Commonwealth to engage in the business of insurance in any capacity, including without limitation, acting as a licensed insurance producer, special insurance broker, public adjuster, insurance advisor, viatical loan provider, viatical broker, viatical settlement broker or viatical settlement provider, or any other licensed insurance professional.

5. Within thirty (30) days from the effective date of this Agreement, Terman shall dispose of any and all interest (direct and indirect) he may have, including without limitation, as proprietor, partner, stockholder, officer, director, employee, consultant, or independent contractor of any insurance related business interest that he may hold in the Commonwealth.

6. From the effective date of this Agreement, Terman is prohibited from owning, managing, directing or being an employee, consultant or an independent contractor, partner, director or officer, paid or unpaid, of any insurance related business in the Commonwealth.

7. In the event that the Division finds that there has been a breach of any provision of this Agreement, the Division may, in its discretion, pursue any and all legal remedies permitted by the Massachusetts insurance laws as well as any other appropriate law of the Commonwealth.

8. The provisions of this Agreement may be amended, modified, or expanded solely in writing by joint consent of the Division and Terman.

SIGNED:



Christopher Terman



Commonwealth of Massachusetts
Division of Insurance
Scott Peary
Chief Enforcement Counsel

Dated: February 19, 2017

Dated: February 17, 2016