



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

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<http://www.mass.gov/doi>

CHARLES D. BAKER
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SECRETARY OF HOUSING AND
ECONOMIC DEVELOPMENT

JOHN C. CHAPMAN
UNDERSECRETARY

GARY D. ANDERSON
ACTING COMMISSIONER OF INSURANCE

April 6, 2017

Lucian Hodgman
10 Wild Pasture Rd.
Kensington, NH 03833

RE: Lucian Hodgman – Massachusetts License No. 1851986
SIU Investigation No. 9134

VIA FIRST CLASS MAIL

Dear Mr. Hodgman:

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 August 26, 2015, after the Division learned that the Maine Bureau of Insurance had revoked your non-resident insurance producer license effective July 10, 2015. Further investigation revealed that you were subject to an additional two administrative actions – one with the Maine Office of Securities, effective February 2, 2015 and the other with FINRA, effective June 18, 2015. You failed to report all three actions to the Division. Additionally, you no longer hold a resident state insurance producer license.

The conduct described above is evidence of the following violations:

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. 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. 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, § 162N(a)(1) . . . [a] nonresident producer shall receive a nonresident producer license...if the person is currently licensed as a resident and is in good standing in his home state...”

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 permanent revocation of your Massachusetts insurance producer license¹. 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 **April 20, 2017**.

Although this correspondence does not constitute the required statutory notice of a public hearing, if this matter is not resolved by **April 20, 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

¹ Your Massachusetts insurance producer license terminated for non-renewing March 12, 2017; however, pursuant to M.G.L. c. 175, § 162R (e), the Commissioner retains authority to enforce the insurance laws even if a person’s license has been surrendered or has lapsed by operation of law.



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SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between the Commonwealth of Massachusetts, Division of Insurance (“Division”), and Lucian Hodgman (“Hodgman”) licensed as an insurance producer licensed under the laws of the Commonwealth of Massachusetts (“Commonwealth”) and with a current mailing address of: 10 Wild Pasture Rd. Kensington, NH 03833.

WHEREAS, Hodgman 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 9134, and contends that the acts and conduct of Hodgman as set forth in the Division’s correspondence dated April 6, 2017, a copy of which is attached hereto, constitute grounds for revocation of Hodgman’s insurance license and the imposition of fines;

WHEREAS, Hodgman 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. Hodgman agrees to have his Massachusetts insurance producer license permanently revoked by the Division.
2. Hodgman agrees to immediately cease and desist from the conduct outlined in the Division’s April 6, 2017 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 Hodgman 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, Hodgman 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 he is 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.

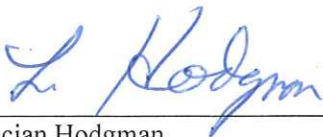
5. Within thirty (30) days from the effective date of this Agreement, Hodgman shall dispose of any and all interest (direct and indirect) he may have, including without limitation, as proprietor, partner, stockholder, officer, director, employee, consultant, or independent contractor of any insurance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

6. From the effective date of this Agreement, Hodgman 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 Hodgman.

SIGNED:

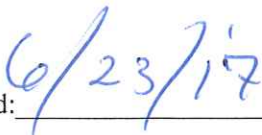


Lucian Hodgman



Commonwealth of Massachusetts
Division of Insurance
Scott Peary
Chief Enforcement Counsel

Dated:



Dated: April 6, 2017