



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

1000 Washington Street • Suite 810 • Boston, MA 02118-6200  
(617) 521-7794 • FAX (617) 521-7475  
<http://www.mass.gov/doi>

CHARLES D. BAKER  
GOVERNOR

KARYN E. POLITO  
LIEUTENANT GOVERNOR

JAY ASH  
SECRETARY OF HOUSING AND  
ECONOMIC DEVELOPMENT

JOHN C. CHAPMAN  
UNDERSECRETARY

GARY D. ANDERSON  
ACTING COMMISSIONER OF INSURANCE

June 7, 2017

Essex Financial Services, Inc.  
C/O Michael O'Rourke  
176 Westbrook Road  
P.O. Box 999  
Essex, CT 06426-0999

RE: Essex Financial Services, Inc.– Massachusetts License No. 2005305  
SIU Investigation No. 9225

*VIA VIA E-MAIL (michael.orourke@essexfinancialservices.com)*

Dear Mr. O'Rourke:

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 Essex Financial Services, Inc. violated the Massachusetts insurance laws set forth below by the conduct detailed in this settlement letter.

This case was opened on March 21, 2016, after the Division discovered that Essex Financial Services, Inc. failed to disclose its involvement in administrative actions on multiple applications for licensure submitted to the Division. Further investigation revealed that Essex Financial Services, Inc. had been involved in an administrative proceeding, which was resolved on or about March 21, 2007. This administrative action was not disclosed on Essex Financial Services 2008, 2009, 2010, 2011, 2012, and 2013 applications for licensure submitted to the Division. Additionally, Essex Financial Services, Inc. was involved in an administrative proceeding, which was resolved on or about April 4, 2012. This administrative action was not disclosed on Essex Financial Services 2012, and 2013 applications for licensure submitted to the Division. Finally, neither of these administrative actions were reported to the Division within 30 days.

The conduct described above is evidence of the following violations:

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, § 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)(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. 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.

The Division is authorized to issue an order requiring you to show cause as to why Essex Financial Services, Inc. should not be made to cease and desist from the above alleged conduct. If, after a public hearing, the Commissioner of Insurance finds that Essex Financial Services, Inc. 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 through a settlement if you agree 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 \$1,500.00**. If you choose 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 **June 21, 2017**.

The Division considers the acceptance of this settlement to constitute a reportable administrative event which should be included on your next Massachusetts producer license renewal application. You also may be required to report this action in other jurisdictions where you 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 **June 21, 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 Essex Financial Services, Inc., licensed as an insurance producer licensed under the laws of the Commonwealth of Massachusetts (“Commonwealth”) and with an address of 176 Westbrook Road P.O. Box 999, Essex, CT 06426-0999.

WHEREAS, Essex Financial Services, Inc. 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 9225, and contends that the acts and conduct of Essex Financial Services, Inc. as set forth in the Division’s correspondence dated June 7, 2017, a copy of which is attached hereto, constitute grounds for revocation of Essex Financial Services, Inc.’s insurance license and the imposition of fines;

WHEREAS, Essex Financial Services, Inc. is aware of its 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. Essex Financial Services, Inc. agrees to immediately cease and desist from the conduct outlined in the Division's June 7, 2017 correspondence.
2. Essex Financial Services, Inc. agrees to pay a \$1,500.00 fine by June 21, 2017. Such check shall be made payable to the Commonwealth of Massachusetts and returned, along with an original signed version of the instant settlement agreement, to:

Massachusetts Division of Insurance  
C/O Scott Peary, Chief Enforcement Counsel  
1000 Washington Street, Suite 810  
Boston, MA 02118

3. Except as expressly set forth in this Agreement, the failure of the Division at any time to require strict performance by Essex Financial Services, Inc. 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. 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.

5. The provisions of this Agreement may be amended, modified, or expanded solely in writing by joint consent of the Division and O'Rourke.

SIGNED:



Michael O'Rourke  
Essex Financial Services, Inc.



Scott J. Peary | Chief Enforcement Counsel  
Massachusetts Division of Insurance  
1000 Washington Street, 8th Floor  
Boston, MA 02118

Dated: 6/12/17

Dated: June 7, 2017