

\$ 50008  
8/5/02

00892430

BEFORE THE STATE AUDITOR  
AND COMMISSIONER OF INSURANCE  
HELENA, MONTANA

IN THE MATTER OF:	)	Case No. 2002-7
	)	
THE PROPOSED DISCIPLINARY	)	Consent Agreement
TREATMENT OF TRUMBULL INSURANCE	)	
COMPANY, AON SERVICES GROUP, AON	)	
ASSOCIATION SERVICES DIVISION,	)	
HUNTINGTON T. BLOCK ASSOCIATION	)	
SERVICES, and AON HUNTINGTON BLOCK	)	
ASSOCIATION SERVICES,	)	
	)	
Respondents.	)	

TO: Richard P. Gentile, Counsel  
Trumbull Insurance Company  
Hartford Plaza  
Hartford, CT 06115

I.

The Montana Insurance Commissioner (Commissioner), pursuant to the authority of the Insurance Code of Montana, Section 33-1-101, et seq., Mont. Code Ann. (2001), determines that there is reason to believe that the following allegations, if true, justify and support disciplinary treatment.

ALLEGATIONS

1. In the fall of 2001, Steven J. Erwin (Erwin), a Montana licensed insurance producer filed a complaint with this office. He was concerned that his client, the [REDACTED], did not receive adequate notice that their [REDACTED] endorsed Officers and Directors Liability policy was not going to be renewed with Chubb. [REDACTED] had elected to endorse a policy offered by Trumbull Insurance Company (Trumbull) of Hartford Insurance Group.
2. Compliance Specialist Kim Hewitt had concerns after she received responses from the

MGA and Trumbull.

3. The response from the MGA is on AON letterhead. It references AON Services Group and AON Association Services Division. At the bottom of the letter it references Affinity Insurance Services, Inc. Neither AON entity is licensed as an insurance producer in the state of Montana.

4. Part of the response is a form letter sent out on [REDACTED] letterhead that refers to Huntington T. Block Association Services (Huntington) as the producer and The Hartford as the insurance company. The letter also has reference to calling Joe Dunn, and it appears in the capacity as an insurance producer.

5. The Montana Department of Insurance terminated Huntington's insurance producer license effective July 1, 2000.

6. In a letter dated 5/3/00 and entitled "Important Notice", the letter reads in part: "AON Huntington Block Association Services will continue to serve as the program administrator." However, AON Huntington is acting as a producer/MGA.

7. On a letter dated August 30, 2001, [REDACTED] sent a letter to Steve Erwin of Erwin Insurance, Inc., in Great Falls, MT. The letterhead references "AON Services Group" and "AON Association Services Division". The bottom of the letter reads: "Affinity Insurance Services, Inc." The letter also mentions that the premium check should be sent to Huntington.

8. Affinity Insurance Services, Inc., (Affinity) does appear to be licensed, however, their DBA is Nurses Services Organization. Joe Dunn appears to be affiliated with the Affinity license.

9. None of the above referenced entities, acting as an insurance producer, have an appointment with Trumbull. These entities are:

- a. Erwin Insurance Agency;
- b. AON Services Group;
- c. AON Association Services Division;
- d. Huntington T. Block Association;
- e. Joe Dunn;
- f. AON Huntington Block Association Services; and
- g. Affinity Insurance Services, Inc.

### CONCLUSIONS

1. The State Auditor is the Commissioner of Insurance pursuant to section 2-15-1903, Mont. Code Ann.

2. The insurance department is under the control and supervision of the Commissioner pursuant to section 33-1-301, Mont. Code Ann.

3. The Commissioner shall administer the Department of Insurance to protect insurance consumers pursuant to section 33-1-311, Mont. Code Ann.

4. Trumbull has not filed any appointments for the entities acting as insurance producers listed above, in violation of section 33-17-236, Mont. Code Ann.

5. AON Services Group, AON Association Services Division, Huntington T. Block Association Services and AON Huntington Block Association Services all acted as insurance producers as defined at section 33-17-102(9), Mont. Code Ann., yet none of these entities is licensed as a producer, in violation of section 33-17-201, MCA.

### II.

Trumbull stipulates and consents to the following:

- A. To pay a fine of \$5000.

B. To comply with the insurance Code of Montana, to include appointing insurance producers;

C. To waive the right to a hearing on the allegations and by entering into this consent, Trumbull neither admits nor denies the allegations.

D. That Trumbull states that he has read the foregoing Consent Agreement, that Trumbull knows and fully understands its contents and effect;

E. Trumbull states that he understands that the Consent Agreement is a part of the file, which is a public record. As a public record it may not be sealed.

F. It is further understood that this Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied.

### III.

Pursuant to the stipulation and consent of Trumbull, the Commissioner, under the authority of the Insurance Code of Montana and Section 2-4-603, MCA, hereby agrees that if the terms and conditions of this Consent Agreement are fully met, he will not initiate any civil or administrative action against Trumbull regarding the allegations contained therein pursuant to Sections 33-1-317 and 33-17-1001, MCA. In consideration for the Commissioner not initiating any civil or administrative action, Trumbull fully and forever releases and discharges the Office of the State Auditor and all State Auditor employees from any and all actions, claims, causes of

///

///

///

///

///

action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the above entitled administrative action.

Dated this 26<sup>th</sup> day of July, 2002.

RESPONDENT

Trumbull Insurance Company  
By: [Signature]  
Its: Vice President & Secretary

Subscribed and Sworn to before me this 26<sup>th</sup> day of July, 2002.

(SEAL)

[Signature]

Notary Public for the  
State of Connecticut

Residing at \_\_\_\_\_, CT

Richard P. Gentile  
Commissioner of The Superior  
Court

[Signature]

Kevin F. Phillips  
Staff Attorney  
Department of Insurance



1 (Commissioner), pursuant to the authority of the Insurance Code  
2 of Montana, Section 33-1-101, et seq., Montana Code Annotated  
3 (2001) (MCA), is proposing to the Commissioner that he take  
4 disciplinary action against the entities named above for  
5 violations of the Montana Code. The Commissioner has authority  
6 to take such action under the provisions of Sections 33-1-317,  
7 33-2-119, 33-17-411, 33-17-1001, and 33-17-1002, MCA.

8 It is the intent of the legislature and the declared policy  
9 of the state that occupational licensure be granted or revoked as  
10 a police power of the state in its protection of the public  
11 health, safety, and welfare pursuant to section 37-1-202, MCA.

12 Service of process is pursuant to section 33-1-314, MCA.

13 REASONS FOR ACTION

14 There is reason to believe that the following facts, if  
15 true, justify and support such disciplinary treatment.

16 ALLEGATIONS

17 1. In the fall of 2001, Steven J. Erwin (Erwin), a Montana  
18 licensed insurance producer filed a complaint with this office.  
19 He was concerned that his client, the [REDACTED], did not  
20 receive adequate notice that their [REDACTED] endorsed Officers  
21 and Directors Liability policy was not going to be renewed with  
22 Chubb. [REDACTED] had elected to endorse a policy offered by  
23 Trumbull Insurance Company (Trumbull) of Hartford Insurance  
24 Group.

25 2. Compliance Specialist Kim Hewitt had concerns after she

1 received responses from the MGA and Trumball.

2 3. The response from the MGA is on AON letterhead. It  
3 references AON Services Group and AON Association Services  
4 Division. At the bottom of the letter it references Affinity  
5 Insurance Services, Inc. Neither AON entity is licensed as an  
6 insurance producer in the state of Montana.

7 4. Part of the response is a form letter sent out on United  
8 Way letterhead that refers to Huntington T. Block Association  
9 Services (Huntington) as the producer and The Hartford as the  
10 insurance company. The letter also has reference to calling Joe  
11 Dunn, and it appears in the capacity as an insurance producer.

12 5. The Montana Department of Insurance terminated  
13 Huntington's insurance producer license effective July 1, 2000.

14 6. In a letter dated 5/3/00 and entitled "Important  
15 Notice", the letter reads in part: "AON Huntington Block  
16 Association Services will continue to serve as the program  
17 administrator." However, AON Huntington is acting as a  
18 producer/MGA.

19 7. On a letter dated August 30, 2001, [REDACTED] sent a letter  
20 to Steve Erwin of Erwin Insurance, Inc., in Great Falls, MT. The  
21 letterhead references "AON Services Group" and "AON Association  
22 Services Division". The bottom of the letter reads: "Affinity  
23 Insurance Services, Inc." The letter also mentions that the  
24 premium check should be sent to Huntington.

25 8. Affinity Insurance Services, Inc., (Affinity) does

1 appear to be licensed, however, their DBA is Nurses Services  
2 Organization. Joe Dunn appears to be affiliated with the  
3 Affinity license.

4 9. None of the above referenced entities, acting as an  
5 insurance producer, have an appointment with Trumbull. These  
6 entities are:

- 7 a. Erwin Insurance Agency;
- 8 b. AON Services Group;
- 9 c. AON Association Services Division;
- 10 d. Huntington T. Block Association;
- 11 e. Joe Dunn;
- 12 f. AON Huntington Block Association Services; and
- 13 g. Affinity Insurance Services, Inc.

14 CONCLUSIONS

15 1. The State Auditor is the Commissioner of Insurance  
16 pursuant to section 2-15-1903, Mont. Code Ann.

17 2. The insurance department is under the control and  
18 supervision of the Commissioner pursuant to section 33-1-301,  
19 Mont. Code Ann.

20 3. The Commissioner shall administer the Department of  
21 Insurance to protect insurance consumers pursuant to section 33-  
22 1-311, Mont. Code Ann.

23 4. Trumbull has not filed any appointments for the  
24 entities acting as insurance producers listed above, in violation  
25 of section 33-17-236, Mont. Code Ann.



1 demand a hearing, or whether you waive formal proceedings and, if  
2 so, what informal proceedings you prefer for handling this case.  
3 Pursuant to section 2-4-603(2), Mont. Code Ann., you may not  
4 request to proceed informally if the action could result in  
5 suspension, revocation or any other adverse action against a  
6 professional license.

7       Should you request a hearing, you have the right to be  
8 accompanied, represented, and advised by counsel. If the counsel  
9 you choose has not been admitted to practice law in the state of  
10 Montana, he or she must comply with the requirements of  
11 Application of American Smelting and Refining Co., (1973), 164  
12 Mont. 139, 520 P.2d 103.

13                   CONTACT WITH INSURANCE COMMISSIONER'S OFFICE

14       If you have questions or wish to discuss this matter, please  
15 contact Kevin Phillips, legal counsel for the State Auditor, 840  
16 Helena Ave, Helena, MT, 59601, (406)444-3496 or, within Montana,  
17 (800)332-6148. If you are represented by an attorney, please  
18 make any contacts with this office through your attorney.

19                   POSSIBILITY OF DEFAULT

20       Failure to give notice or to advise of your demand for a  
21 hearing or form of informal procedure within twenty (20) days,  
22 will result in the entry of a default order imposing the  
23 disciplinary sanctions against you and your license, all without

24 ///

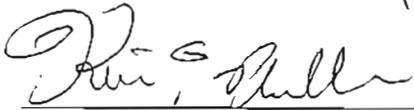
25 ///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

any more notice to you, pursuant to 6.2.101, Administrative Rules  
of Montana and the Attorney General's Model Rule 10, 1.3.214.

DATED this 11<sup>m</sup> day of April, 2002.

JOHN MORRISON  
State Auditor and  
Commissioner of Insurance

By:   
Kevin F. Phillips  
Insurance Attorney

