

STATE OF MAINE
BUREAU OF INSURANCE

IN RE:

Jacob Merrill
Maine Producer No. PRR198664
National Producer No. 16503536

CONSENT AGREEMENT AND ORDER

Docket No. INS-20-206

Jacob Merrill, a licensed resident insurance producer, the Maine Superintendent of Insurance (Superintendent), and the Office of the Maine Attorney General (Attorney General) hereby enter into this Consent Agreement and Order (Agreement) pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without an adjudicatory proceeding, a violation of the Insurance Code for which the Superintendent may impose discipline pursuant to 24-A M.R.S. §§ 1417 and 1420-K.

STATUTORY AUTHORITY

1. Under 24-A M.R.S. §§ 12-A and 1420-K and 10 M.R.S. § 8003(5)(A-1) the Superintendent may issue a warning, censure, or reprimand to a licensee, may suspend, revoke or refuse to renew the license of a licensee, may impose conditions of probation on the licensee, may levy a civil penalty, or may take any combination of such actions, for violating any insurance laws, or violating any rule, regulation, subpoena, or order of the Superintendent. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve a complaint by entering into a consent agreement with a licensee and with the agreement of the Attorney General.
2. Title 24-A M.R.S. § 1420-K(1)(H) provides that the Superintendent may take these disciplinary actions for using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this State or elsewhere.

FACTS

3. The Superintendent of Insurance is the official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction. The Superintendent has jurisdiction over this matter pursuant to the powers set forth in the Insurance Code generally, as well as the specific provisions of 24-A M.R.S. §§ 12-A and 211 and 10 M.R.S. § 8003.
4. Jacob Merrill is a resident of Maine and his National Producer Number ("NPN") is 16503536. He is affiliated with AAA Northern New England Insurance (hereinafter, AAA), a resident producer business entity (agency).
5. A.H. is a Maine resident who contacted Mr. Merrill on or around June 4, 2019, seeking personal auto and homeowners insurance, as A.H. was in the process of purchasing a new home.
6. On June 4, 2019, A.H. and Mr. Merrill exchanged multiple emails regarding the coverages and Mr. Merrill emailed the consumer auto and homeowners insurance applications. A.H. stated

that she wanted to move forward with home and auto coverage through AAA and Mr. Merrill confirmed that he would issue the coverage; however, there is no indication that A.H. was advised to sign and return any documents or otherwise told that the sales process was incomplete.

7. On or around June 4, 2019, Mr. Merrill sent a binder to the mortgagee as proof of coverage. The homeowners insurance premium was to be paid from A.H.'s escrow account.

8. On June 14, 2019, the insurer cashed the escrow check sent by the mortgagee for the homeowners premium; however, Mr. Merrill had not properly completed the binding process for the policy. Due to this error, the insurer was not able to match the payment to a policy for A.H.

9. On June 17, 2019, A.H. closed on the purchase of the new home and cancelled her previous auto insurance coverage. At this time, A.H. did not have homeowners or auto coverage through AAA.

10. On July 5, 2019, A.H. emailed Mr. Merrill stating that she had not received ID cards for her auto insurance. Mr. Merrill emailed her ID cards evidencing auto insurance coverage effective June 17, 2019; however, A.H. did not have an active auto insurance policy through AAA.

11. On or around November 18, 2019, A.H. contacted AAA with a question regarding her coverage. It was at this time that she was advised by Mr. Merrill that she did not have homeowners or auto coverage through Mr. Merrill and/or AAA.

CONCLUSIONS OF LAW

12. Mr. Merrill's failure to correctly bind A.H.'s homeowners policy resulted in the insurer's inability to apply A.H.'s escrow check to her homeowners policy and left A.H. uninsured for a period of approximately five months. This represents a violation of 24-A M.R.S. § 1420-K(1)(H) for demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this State or elsewhere.

13. Mr. Merrill's failure to properly communicate to A.H. that she did not have auto coverage prior to the cancellation of her existing auto policy and his failure to verify that coverage was in place prior to issuing ID cards represents a violation of 24-A M.R.S. § 1420-K(1)(H) for demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this State or elsewhere.

COVENANTS

14. Mr. Merrill admits to the Facts as stated above and admits that these Facts constitute a basis for imposing discipline upon him.

15. Mr. Merrill agrees to the imposition of a civil penalty in the amount of Two Thousand Dollars (\$2,000.00). This civil penalty will be remitted to the Maine Bureau of Insurance at the time of returning this signed agreement. Payment shall be by check or money order made out to "Treasurer, State of Maine" and addressed to: Licensing Attorney, Maine Bureau of Insurance, 34 State House Station, Augusta, Maine 04333-0034.

16. Mr. Merrill specifically agrees that he will follow all applicable agency and insurer procedures for establishing insurance coverage for his clients and that, prior to providing evidence of coverage to insureds or third parties, he will ensure that such insurance coverage is active.

17. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.

18. This Agreement constitutes an Order of the Superintendent and a violation of its terms is enforceable by the Superintendent.

19. This Agreement is also enforceable by an action in Maine Superior Court.

20. This Agreement is not subject to appeal. Mr. Merrill waives any further hearings or appeals regarding the matters that are the subject of this Agreement.

21. This Agreement may be modified only by a written agreement executed by all of the parties hereto.

22. This Agreement is a public record subject to the provisions of the Maine Freedom of Access Act and will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.

23. Mr. Merrill agrees that he has read this Agreement, that he understands this Agreement, that he has reviewed the statutory provisions set forth herein, that he understands his right to consult with counsel before signing this Agreement, and that he enters into this Agreement voluntarily and without coercion of any kind from any person.

24. In consideration of Mr. Merrill's execution of and compliance with the terms of this Agreement, the Superintendent and Attorney General agree to forgo pursuing against Mr. Merrill any further disciplinary measures or other civil or administrative sanctions arising under the Maine Insurance Code concerning the specific conduct described in this Agreement, other than those agreed to herein. However, should Mr. Merrill violate any provision of this Agreement, he may be subject to any available remedy for the violation.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.]

JACOB MERRILL

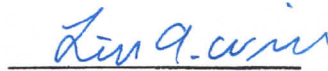
Dated: 5-27-2020



Jacob Merrill

THE MAINE OFFICE OF THE ATTORNEY GENERAL

Dated: 6/3/20



Lisa A. Wilson
Assistant Attorney General

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: 6/11/2020



Timothy Schott
Deputy Superintendent of Insurance