STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
1511 PONTIAC AVENUE, BUILDING 69-2
CRANSTON, RHODE ISLAND 02920

IN THE MATTER OF:  
MATTHEW T. MARDEN  
RESPONDENT.  

DBR No. 2022-IN-001
NPN No. 16905392

CONSENT AGREEMENT

Whereas the Rhode Island Department of Business Regulation (Department) issued an Emergency Order Suspending Producer License; Order to Show Cause Why an Order Should Not Issue to Revoke Insurance Producer License; Notice of Hearing and Appointment of Hearing Officer (Order) on February 15, 2022;

Whereas Matthew T. Marden (Respondent) has a Rhode Island resident insurance producer license (License) with an expiration date of March 31, 2023;

Whereas Respondent has held either a non-resident or a resident insurance producer license with Rhode Island since October 11, 2015;

Whereas Respondent’s License has been suspended since the Order was issued;

Whereas there was a Pre Hearing Conference scheduled for March 15, 2022, instead the parties used that time to meet and confer to discuss a possible resolution;

Whereas the Department and Respondent have met and conferred and decided that rather than bearing the burden of an administrative hearing and leaving the decision to the determination of the hearing officer, the parties have agreed upon a mutually acceptable resolution to the issues at hand.
It is hereby agreed between the Department and Respondent as follows:

**FACTS SUPPORTING THIS AGREEMENT**

1. Respondent currently holds a Rhode Island resident insurance producer license (License# 2319426, NPN#16905392) with a current expiration date of March 31, 2023.

2. The Department brought this action because of three primary reasons: Respondent’s failure to timely report an action taken by another state; certain testimony provided by Respondent related to sales and marketing of insurance in a civil case filed by the Massachusetts Attorney General; and because the Department’s investigation concluded that Respondent does not live in Rhode Island.

**New Hampshire Order**

3. On April 19, 2021, the State of New Hampshire Insurance Department issued a 32 paragraph Order to Show Cause with numerous allegations against Respondent related to acts Respondent had performed while a New Hampshire resident insurance producer.

4. At the time that Order to Show Cause was issued, Respondent held a non-resident insurance producer license with the Department. His obligation would have been to report the administrative action to the Department within thirty days of the final disposition of the matter and to disclose it on any subsequent renewal applications.

5. On May 21, 2021, Respondent executed a Consent Order (NH Order) with the New Hampshire Department of Insurance (New Hampshire) to resolve an enforcement action brought by New Hampshire finding the Respondent:

   a. violated New Hampshire law by providing incorrect, misleading, incomplete or materially incorrect information in his 2018 producer license application stating a New Hampshire residence when Respondent was living in Massachusetts and...
b. violated New Hampshire law by providing incorrect, misleading, incomplete or materially incorrect information in his 2020 producer license renewal application stating a New Hampshire residence when Respondent was living in Massachusetts.

6. The terms of the NH Order required Respondent to:
   a. Voluntarily relinquish his New Hampshire producer license;
   b. Not apply for a New Hampshire resident or non-resident license within ten (10) years; and
   c. Respond “Yes” to any question in relation to any insurance producer license application in any jurisdiction which asks “have you ever been named or involved as party in an administrative proceeding” or any substantially similar question.

7. As a non-resident insurance producer licensee, Respondent was then obliged to notify the Department, and any other state insurance department that licensed him, within thirty (30) days of his signing the NH Order by either by uploading the NH Order to the NIPR licensing “attachment warehouse” database, or by emailing the NH Order to the Department.

8. On February 1, 2022, Respondent explained that he overlooked sending the NH Order to Rhode Island, but had sent it to all 43 of his other non-resident states.

9. Respondent failed to notify the Department either by uploading the NH Order to the NIPR licensing “attachment warehouse” database, or by mailing or emailing the Department, within 30 days as required by law.

10. In February 2022 when asked by the Department, Respondent stated that he “was unaware of the requirement to send it to each state department of insurance.” Then Respondent offered evidence that on September 7, 2021 he did report the NH Order to 43 other states, none of which included Rhode Island.
11. September 7, 2021 is one hundred and nine days after May 21, 2021, the date that Respondent executed the NH Order.

12. As of the date of the Emergency Order, Respondent has not uploaded the NH Order in the NIPR licensing “attachment warehouse” database.

13. The Respondent admits that he failed to provide the Department with notification of a revocation of license by the State of New Hampshire, depriving the Department of critical information relevant to the character and fitness of Respondent to hold a professional license in Rhode Island.

Rhode Island Residency

14. On May 25, 2021, Respondent emailed the Department explaining that he “would like RI to become my resident state. My current address is 32 Welles Street, Woonsocket, RI 02895.”

15. Rhode Island had no reason to object and converted Respondent’s license from a non-resident insurance producer license to a resident insurance producer license that same day, May 25, 2021.

16. In January 2022 the Department became aware of the NH Order, and in response, it began an investigation into Respondent.

17. During that investigation, the Department asked Respondent for proof that he moved to Rhode Island. When asked for proof of his address, Respondent provided a United States Postal Service change-of-address order with an effective date of July 26, 2021. The order includes a red warning message advising “We are unable to process your Change-of-Address at this time because it is still being processed. Please come back after 72 hours.”
18. The Department asked follow-up questions for other evidence of residence, first for a “RI driver’s license or other RI state issued ID.”

19. Respondent identified that he did not have a RI state issued identification.

20. On February 1, 2022, the Department asked for “a lease, utility bill or letter of appointment from an insurance company” with the alleged Woonsocket RI residence address.


22. On February 3, 2022, a Departmental employee physically checked the Woonsocket address listed by Respondent and while there are numerous labels on mailboxes at that address, there was not a mailbox labeled with Respondent’s name.

23. The Departmental employee then contacted the owner of record of the Woonsocket address. During that conversation, the owner explained that he did not know the Respondent, that he knows all of his tenants, and that Respondent is not a resident at 32 Welles Street, address in Woonsocket.

24. In the NH Order, Respondent admitted a number of alternative addresses at various times. But the Department reviewed tax rolls for the City of Marlborough, Massachusetts that it believes is the Respondent’s true address. In the City’s 2022 tax rolls, the Department identified Respondent at 22 Blaiswood Ave, Marlborough, MA 01752.

25. The Department then cross-checked the Middlesex County land records, and identified a Deed, Mortgage and Declaration of Homestead filed by Respondent filed on
August 13, 2020, as well as other trust related documents also filed in 2020, identifying that Respondent was a resident of Marlborough, Massachusetts.

**Commonwealth of Massachusetts Civil Litigation**

26. The Massachusetts Attorney General filed a civil complaint against HealthMarkets, Inc., The Chesapeake Life Insurance Company and HealthMarkets Insurance Agency, Inc. (the “Mega Complaint”).¹ That civil contempt action was filed on December 8, 2020, and includes numerous paragraphs referring to testimony given by Respondent during the Massachusetts investigation of that case.

27. The Mega Complaint included the following relevant facts:

   “Chesapeake has received 135 complaints from Massachusetts residents relating to sales of Chesapeake supplemental health insurance to them by Mr. Marden, and over 80% (114) of those complaints were Unaware of coverage complaints;” Mega Complaint, page 116, para. 525.

28. The Mega Complaint included allegations of at least two Massachusetts consumers who complained after Marden sold them disability insurance while the consumer was “unemployed and, therefore, ineligible for payment under the policy.” Mega Complaint, Page 117, para. 527.

29. That Respondent (and others) “understood that they were not appointed with any carrier issuing supplemental health insurance in Massachusetts other than Chesapeake.” Mega Complaint, page 27-28, para. 108.

30. As part of the Department’s investigation, it requested documents from the Massachusetts Attorney General. The Department reviewed those documents, which include 79 pages of testimony from a 205-page confidential deposition transcript given

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¹ Available online at https://www.mass.gov/doc/health-markets-complaint/download
by Respondent pursuant to a Massachusetts Civil Investigatory Demand. In that deposition testimony, Respondent provided certain testimony and admissions regarding the insurance space that serves as key evidence to support the Massachusetts Attorney General’s allegations in the case.

**AUTHORITY**

31. R.I. Gen. Laws §27-2.4-14(a) provides several bases for the Department to bring an action to revoke an insurance producer’s license including:

   (1) providing incorrect, misleading, incomplete or materially untrue information in the license application;

   (3) obtaining or attempting to obtain a license through misrepresentation or fraud;

   (5) intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance; and

   (8) relating to the use of dishonest practices or trustworthiness.

32. R.I. Gen. Laws §42-14-16 provides the Department can revoke or suspend a license, levy an administrative penalty or any combination of penalties for any violation of Title 27, Chapter 14 of Chapter 42 or regulations promulgated thereunder.

   THEREFORE, based on the foregoing, the Respondents and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

   I. Respondent admits the above referenced facts.

   II. Respondent agrees to collectively pay an administrative fine of one thousand dollars ($1,000) within sixty (60) days.

   III. Respondent agrees to the revocation of his Rhode Island producer license.
IV. Respondent agrees to not to apply for a Rhode Island resident or non-resident producer license within ten (10) years.

V. Respondent agrees to respond “Yes” to any question in relation to any insurance producer license application in any jurisdiction which asks “have you ever been named or involved as a party in an administrative proceeding” or any substantially similar question.

VI. Respondent agrees to notify all jurisdictions in which Respondent holds a non-resident producer license of this administrative proceeding and consent agreement in a timely manner.

VII. Waiver of Hearing and Appeal. By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 et seq.

VIII. Enforcement. If Respondent fails to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, Respondent will be in violation hereunder and the Department shall be entitled to immediately to take enforcement or other action in accordance with applicable law.

IX. Compliance; Other Laws. Compliance with the terms of this Consent Agreement does not relieve Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Department or any other governmental agency.
Counsel for the Respondents and the Department hereby consent and agree on the foregoing on behalf of their respective clients the 24th day of April 2022.

Rhode Island Department of Business Regulation by its Legal Counsel

Matthew T. Marden
Respondent

Refe M. Pickett
Counsel for Respondent