

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
DIVISION OF INSURANCE  
1511 PONTIAC AVENUE, BUILDING 69-2  
CRANSTON, RI 02920**

**IN THE MATTER OF:**

**COMMERCIAL INSURANCE  
EXCHANGE LLC**

**RESPONDENT.**

**DBR No. 2017-IN-019  
RI License No. 2083956**

**CONSENT AGREEMENT**

It is hereby agreed between the Department of Business Regulation (“Department”) and Commercial Insurance Exchange, LLC (“Respondent”) as follows:

1. Commercial Insurance Exchange LLC (“Respondent”) is the holder of insurance producer-business entity license number 2083956. This license was first issued 1/25/2010 and would not expire until 5/31/2018 notwithstanding this action. Kathleen M. Bruno (“Bruno”) is the Designated Responsible Licensed Producer (“DRLP”) of the Respondent. Bruno is the holder of insurance producer license number 2310763 which was revoked by Order of the Director of the Department on July 31, 2017 in case 2017-IN-018.

2. On 10/26/2016, the Department of Business Regulation (the “Department”) Division of Insurance (the “Division”) received a written complaint against Bruno and her agency, the Respondent, alleging Bruno had breached her fiduciary responsibilities as producer by not properly forwarding a cancellation refund due the insured, and by possibly causing the policy to cancel for nonpayment by misappropriating the insured’s payment to the surplus lines broker.

3. The consumer purchased a policy with an effective date of 12/4/2015 from Respondent through Bruno. Respondent cashed the consumer's check in the amount of \$3,344.80 which should have fully paid for 12-months of coverage.

4. The consumer requested cancellation of policy effective 7/1/2016. A Cancellation Request/Policy Release Acord form was prepared by Bruno or someone else on behalf of Respondent. The form listed Respondent as the Producer, and the form was signed by the consumer.

5. Respondent issued a refund check to the consumer on 11/3/2016 that was signed by Bruno that purported to refund the consumer for the period after 7/1/2016.

6. However, the consumer's policy was actually cancelled effective 3/23/2016. But Bruno had sent documents to the consumer indicating that the policy would not be cancelled on 3/23/2016.

7. On 1/23/2017 Bruno provided supporting documentation in response to the Division's request. The Division also received documentation from the Surplus Lines Broker ("Broker") on 1/11/2017. The information contained in the Bruno provided documents was in direct conflict with the information contained in the Broker documents.

8. The Department sent the documents provided by Bruno to Broker for verification and response. Broker confirmed that the documents provided by Bruno were not issued by Broker, and that the Surplus Lines Insurer would not have created such documents. Broker relayed that they believed the documents provided by Respondent to the Division to be fraudulent. Broker has also confirmed that due to nonpayment by Respondent, the policy had cancelled for nonpayment on 3/23/2016, well before the insured's requested cancellation date. In an email to the Broker, Bruno admitted to falsifying the cancellation and reinstatement documents that Bruno provided to the Division and expressed remorse for her actions.

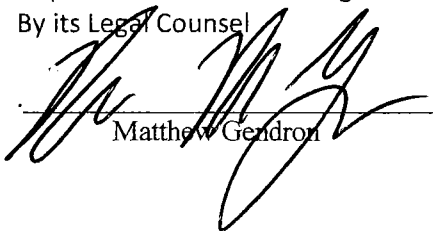
9. Based on actions or inactions by Respondent or Respondent's DRLP Bruno, the consumer was refunded less than was due to the consumer and the consumer was left without insurance coverage for a period of time. And Respondent's DRLP Bruno misrepresented the terms of a policy and created fraudulent documents in order to conceal those facts.

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


1. Respondent's license will be listed in the Department's records as having been "voluntary surrendered" with prejudice due to enforcement.
2. By acceptance of this surrender, the Insurance Division does not waive its right to object to a future application for licensure based on the underlying actions of the complaint that initiated this action. The surrender will not act as an adjudication of those charges on a regulatory basis.
3. Should a future application be made Respondent will have a right to a full administrative hearing subject to the Administrative Procedures Act.

Counsel for the Department and the Respondent hereby consent and agree to the foregoing on behalf of their respective clients this 25<sup>th</sup> day of October, 2017.

Department of Business Regulation  
By its Legal Counsel

  
Matthew Gendron

Respondent

  
Kathleen Bruno  
For Commercial Insurance Exchange

**CERTIFICATION**

I hereby certify that on this 25 day of October 2017, a copy of this Consent Agreement was sent to the following:

By first class mail postage prepaid and certified mail:

<del>Commercial Insurance Exchange LLC 2155 Diamond Hill Road Cumberland, RI 02864</del>	Commercial Insurance Exchange LLC P.O. Box 7126 Cumberland, RI 02864
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By Electronic Delivery via Email Address: kbruno@cieins.com; Elizabeth.Dwyer@dbr.ri.gov; Matthew.Gendron@dbr.ri.gov; and holly.campbell@dbr.ri.gov.

Wanda West

AND IN-HAND . -MG

-MG  
-LMB