



New Jersey

Insurance Reporter

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Drew Karpinski, Commissioner

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Roy D. Bloom **Succeeds Lou Parisi As** **Fraud Division Director**

Commissioner Karpinski recently appointed Roy D. Bloom, deputy superintendent of the New Jersey State Police, as director of the Division of Insurance Fraud Prevention. Bloom assumed his new duties on August 8.

Louis Parisi, the longtime director of the Fraud Division, resigned effective June 2. Parisi accepted an offer to become vice president of Fraud Investigation and Detection for Empire Blue Cross and Blue Shield of New York.

Parisi's resignation marked the end of a 30-year career with New Jersey state government. He was a member of the State Police from 1965 to 1987, retiring with the rank of lieutenant. He served as deputy director of the Fraud Division from 1987 to February 1988, when he became division director.

In announcing Parisi's departure, Commissioner Karpinski said, "Lou has ably led New Jersey's fight against fraud for more than seven years and is to be congratulated for his many efforts and achievements. I am sure he will serve Empire Blue Cross and Blue Shield well in this new endeavor. I wish him all the best in his new post."

"Roy Bloom brings to the job 30 years of law enforcement experience with the State Police," Karpinski said. "I am confident that he will ably lead a fraud division widely regarded as the most effective in the country."

"He has the technical expertise, administrative background and leadership skills to handle what is a formidable task. I am pleased to have him join the team working on behalf of the public at the Department of Insurance," said the Commissioner.

"I'm extremely pleased that Commissioner Karpinski has provided me the opportunity to continue my over 30-year law enforcement career with the New Jersey State Police by picking up thereins in the Department's Fraud Division," Bloom said.

Bloom's career with the State Police began with his graduation from the State Police Academy in 1964. After a decade of handling various police and investigative duties throughout northern and central New Jersey, Bloom became chief of the Planning Bureau in 1974. In 1985, he was promoted to assistant section supervisor, Division Staff Section. His duties included directing internal affairs, training, labor relations and protection of the governor.

Bloom was promoted to administration section supervisor in 1991. In that role, he was responsible for developing and administering the Division of State Police's \$155 million budget and its personell system covering 3,800 employees. Bloom was appointed deputy superintendent in August 1994. He has been responsible for directing the daily operations of the State Police, insuring that statewide general police, investigative and technical support functions are coordinated, effective and supported.

The Division of Insurance Fraud Prevention was created in 1983 with the legislative mandate to "aggressively confront the problem of insurance fraud in New Jersey."

Since 1987, the division has fined approximately 6,000 people more than \$29 million and made them return more than \$20.5 million in restitution. In 1994, it opened 23,646 fraud cases and imposed nearly \$5.6 million in civil penalties to 999 people found to be in violation of the Insurance Fraud Prevention Act.

Two New Health Insurers Admitted To New Jersey

Two new health insurance companies recently received their certificates of authority to do business in new Jersey.

AmeriHealth Insurance Company of New Jersey, a subsidiary of Independence Blue Cross (IBC), and **HIP Insurance Company of New Jersey, Inc.**, an affiliate of HIP of New Jersey, Inc. (an HMO which does business as HIP Health Plan of New Jersey), are the first domestic traditional health insurers to be admitted to the state since 1990.

"The health insurance marketplace in New Jersey is becoming more competitive, creating new opportunities for both policyholders and the health insurance industry in the state," Commissioner Karpinski said.

AmeriHealth, based in Mount Laurel, will market traditional indemnity and comprehensive major medical coverages, and standardized small employer plans for businesses with between 2 and 49 employees. The company also plans to create a preferred provider organization (PPO) and other products, and expand its operations into claims administration.

HIP, headquartered in North Brunswick, intends to offer a point-of-service plan as its initial entry into the New Jersey market.

AmeriHealth's parent company, Independence Blue Cross, wrote approximately \$2.3 billion in direct premiums in 1994. IBC and its affiliates currently provide coverage for 2.3 million people in Pennsylvania and New Jersey. Most of the company's New Jersey policyholders are insured through Keystone Health Plan of New Jersey, which had more than 10,400 members in the state as of Dec. 31, 1994.

HIP of New Jersey, Inc., the parent company of HIP Insurance Company of New Jersey, wrote \$293.8 million in direct premiums in New Jersey last year. HIP of New Jersey is the second-largest HMO in the state, with nearly 173,000 members as of Dec. 31, 1994. HIP of New Jersey, Inc., is part of the HIP system with affiliates in New York and Florida serving a combined population of more than 1.1 million members.

Department Demands That Insurer Refund Overcharges

The Department has demanded that an insurer refund more than \$108,000 in Medicare supplement policy premium overcharges dating back to 1993, and roll its rates back to 1993 levels.

Allianz Life Insurance Company of North America, based in Minneapolis, Minn., will issue a total of \$108,126 in premium refunds to 349 Medicare supplement policyholders. The refund amounts range from \$42 to \$1,088 with an average of \$310. Depending on the type of policy, the refunds will be issued by either Sept. 1 or Oct. 1. Eighty-eight other policyholders are not eligible for refunds because Allianz

has charged them the correct rates.

Allianz had filed a request with the Department for a rate increase for its Medicare supplement policies in early 1993. The Department subsequently denied the increase. The Department began regulating the rates of out-of-state Medicare group trust plans on Jan. 1, 1993.

When Allianz submitted another rate filing in 1994, the Department's health insurance bureau found that the company was charging its policyholders the higher rates, which represented a 12 percent increase over the approved rates the insurer had on file with the Department.

The bureau's analysis also revealed that Allianz was rating its policyholders according to five-year age bands (e.g., 65-70, 70-75, etc.) which is not permitted. The Department then denied Allianz's request for another 10 percent rate hike, and demanded the rate rollback and the refund of the overcharges. The company agreed to the rate rollback and refunds.

"One of the vital elements of a competitive insurance market is a consumer's ability to obtain the best coverage at the most efficient cost," Karpinski said. "While insurance protection should not be purchased merely on the basis of price, a consumer is entitled to know that all companies are competing on a level playing field. The Department's action in this matter reflects our goal of maintaining fairness in the marketplace."

Multi_State Task Force Works With NAIC

The Multi-state Task Force established by New Jersey Insurance Commissioner Drew Karpinski to examine allegations of churning, twisting and misrepresentation in the sale of financed life insurance products, is coordinating its efforts with a formal working group of the National Association Of Insurance Commissioners (NAIC).

In a resolution adopted at the association's Summer National Meeting in June, the NAIC Market Conduct Examination Oversight Task Force directed its Multi-state Market Conduct Examination Working Group to cooperate with the New Jersey-led effort. The NAIC's Market Conduct Examination Oversight Task Force is chaired by Iowa Commissioner Terri Vaughan, who jointly sponsored the resolution with Karpinski.

"At our initial meeting, task force members were very much interested in moving forward with this important initiative in a coordinated fashion," Commissioner Karpinski stated. "The collaboration between the task force and the NAIC Working Group will allow us to progress in the most effective and efficient manner."

"We look forward to the collaborative effort as it clearly represents a positive step toward more

efficiency in market conduct oversight," Commissioner Vaughan said.

Karpinski also noted that the issues of churning, twisting and misrepresentation are not unique to one state or one insurance company.

"The examination and review process we have established will allow us to develop a broad-based analysis and recommendations which can be applied to every state and every insurance company," Karpinski said.

As a result of the passage of the resolution, the Multi-state Task Force is beginning a targeted multi-state market conduct examination of the financed life insurance sales and marketing practices of the Prudential Insurance Company of America in cooperation with the NAIC Working Group.

The findings and results of the examination are expected to be utilized by the task force in its preparation of a comprehensive report regarding the industry's financed life insurance product sales and marketing practices.

Two Insurers Redomesticate To New Jersey

Two property and casualty insurers recently became the first companies to transfer their state of domicile to New Jersey under the state's Redomestication Act.

Clarendon National Insurance Company was formerly domiciled in Maryland; Clarendon America Insurance Company was domiciled in Delaware. Clarendon America's redomestication was approved simultaneously with its initial certificate of authority to do business in New Jersey.

The Redomestication Act, which Governor Whitman signed into law on Dec. 23, 1994, allows insurance companies to choose New Jersey as their state of domicile on a streamlined, more efficient basis without sacrificing the Department's stringent financial oversight.

"Forty-two other states have streamlined redomestication requirements in place," Commissioner Karpinski said. "New Jersey previously was the only major insurance state in the country without these provisions codified in its laws.

Both Clarendon National and Clarendon America are authorized to write auto, homeowner's and commercial coverages in New Jersey. As of June 30, 1995, Clarendon National insured 7,865 vehicles through the New Jersey Personal Automobile Insurance Plan (PAIP), the state's residual market for private passenger auto insurance.

Robert Ferguson, the Clarendon Group's chief operating officer and secretary, said that the group

completed the redomestication to move the companies' corporate office closer to the group's home office in New York City.

"We have found a good relationship with the Department," Ferguson said. "The redomestication is better because New Jersey has a very good reputation in the industry and amongst regulators.

The Clarendon Group is in the process of acquiring the assets of First Georgia Insurance Company, pending the approval of the Georgia Department of Insurance. The new entity also will be domiciled in New Jersey and do business under the name Harbor Specialty Insurance Comapny. The company, which intends to hire 40 people to staff its corporate office in the state, plans to write nonstandard auto insurance business. Harbor Specialty Insurance Company will have capital and surplus of \$5 million.

"This is a welcome development for the state's workforce," Karpinski said. "This is proof that the Redomestication Act is good for New Jersey's economy."

"Under our old, cumbersome requirements, it routinely took one to two years for a company to complete a redomestication to New Jersey," Karpinski noted. "Simplifying this process makes New Jersey more competitive with other states. Under the law, all of New Jersey's high solvency standards are still applied to a company seeking to redomesticate to the state."

Clarendon National wrote \$126.9 million in direct premiums nationwide and \$26.2 million in New Jersey in 1994. Clarendon America's direct written premiums totalled \$36.8 million nationwide last year. As of Dec. 31, 1994, the insurers reported assets of \$299.3 million and \$218.2 million, respectively.

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Market Remains Bullish For Standardized Health Plans

As of March 31, nearly 137,000 people were covered under standardized individual health benefits plans, according to the New Jersey Individual Health Coverage (IHC) Program Board. The Board's latest survey revealed that enrollment increased 20.8 percent between the fourth quarter of 1994 and the first quarter of 1995. Forty percent of those enrolling since the program's inception on Aug. 1, 1993, were previously uninsured.

Under the Individual Health Insurance Reform Act, companies are required to offer five standardized indemnity policies and/or one HMO plan. As of March 31, 1995, the sales of the 72,300 individual contracts were distributed as follows:

Plan A	3.7%
Plan B	7.5%
Plan C	19.0%
Plan D	48.3%
Plan E	9.0%
HMO	12.6%

The Small Employer Health (SEH) Benefits Program Board also announced a significant rise in standardized small employer plans covering businesses with between 2 and 49 employees. By the end of the first quarter of 1995, nearly 22,000 standardized contracts had been sold in the first 15 months of the SEH Benefits Program. The total represents an overall increase of more than 36 percent over the number in force at the end of the last quarter of 1994.

Approximately 745,000 people are covered under policies subject to the SEH Program law. According to first-quarter statistics provided by the SEH Program's participating carriers, there were 68,662 health plans in force in the small employer market. Of the total, 21,854 were standardized plans and 46,808 were nonstandardized policies. The standardized plans cover 248,749 individuals.

Since January 1, 1994, with some exceptions, employers purchasing coverage for the first time have been restricted to a choice of one of five standardized fee-for-service plans and a standardized HMO policy. Employers which already had coverage in effect may retain their existing plans until the renewal date occurring on or after March 1, 1996.

As of March 31, 1995, the allocations of the SEH Benefits Program's standardized plans was as follows:

Plan A	0.1%
Plan B	3.3%
Plan C	10.6%
Plan D	63.9%
Plan E	5.3%
HMO	17.0%

Department Sets 1995 Flex Rate At 3.83 Percent

The Department has approved an average 3.83 percent auto insurance flex rate adjustment for 1995.

Under a 1988 law, the Commissioner of Insurance is required to set the flex rate by July 1 of each year. The flex rate is tied to the medical and automobile repair components of the Consumer Price Index (CPI). It is intended to allow insurers limited rate changes to keep pace with inflationary increases in their claim costs.

"The 1995 overall average flex rate of 3.83 percent was determined after careful consideration in a responsible way, keeping an eye toward minimizing additional cost to the consumer," Commissioner Karpinski said.

A breakdown of the maximum allowable flex-rate increases by coverage follows:

- . Personal Injury Protection - 7.17 percent**
- . Bodily Injury Liability (including uninsured/underinsured motorists)**
 - o Verbal Threshold - 3.00 percent**
 - o Zero Threshold - 4.35 percent**
- . Property Damage Liability - 3.00 percent**
- . Physical Damage (Comprehensive and Collision) - 3.00 percent**
- . TOTAL OVERALL AVERAGE - 3.83 percent**

Continuing Education Requirements Revisited

The Department is providing the following information to increase awareness of New Jersey's continuing education requirements for licensed insurance producers.

New Jersey resident insurance producers must accumulate at least 48 continuing education credits (CECs) within a four-year period in order to renew their licenses. The expiration date is printed on each license. Producers may obtain duplicates for lost or misplaced licenses by contacting the Department's License Processing Unit at (609) 292-4390.

There are three methods of accumulating CECs: attendance at a course conducted by an approved New Jersey insurance school; the successful completion of college insurance courses or examinations, and the maintenance of a professional insurance designation which has its own continuing education requirements.

Earned credits are transferred to the credit banking system. The approved course provider will issue a course completion certificate to the producer for his or her records only and forward the CECs to the credit banking system. The Department will forward credits for any producer successfully completing college insurance courses or examinations through the processing of a CE-2 form, which must be sent to the Department with a copy of the passing notice and the indication of the number of college credits for such course or examination. The Department will also forward credits for an producer maintaining an insurance designation which has its own continuing education requirements through the processing of a CE-1 form. The form must be sent to the Department with the designation grantor's verification that the producer completed the continuing education requirements.

Course credit values are predetermined. Producers may request information regarding course credit values from course providers. Each college credit is worth 4 CECs, and producers earn 12 credits for each year they maintain insurance designations with their own continuing education requirements.

Producers may obtain more information by contacting Karen Jamison, Supervisor of Insurance Education, at (609) 292-4419.

Correction

The Spring edition of the Reporter contained an incorrect telephone number for the Department's automated ordering system for continuing education credit forms. The correct number is (609) 292-4423. The Department regrets any inconvenience this error may have caused.

License Revocations and Suspensions

The Department has revoked or suspended the licenses of the following producers and agencies:

Allen Agebcy of New Jersey, Inc, Paterson, and its active officer, Wilson Aguilera - Accepted insurance premium payments for auto insurance from 13 insureds totalling \$4,655.50 and failed to remit them to the insurer or return them to the insureds; accepted premium payments from 47 insureds and failed to forward their applications and payments to the MTF within three working days; issued I.D. cards where no coverage existed; failed to comply with a departmental subpoena; failed to remit \$2,877.78 in unearned commissions due the JUA; failed to notify the Department of

changes in his business or residence address.

Deanna Clayton, Camden - Two-year suspension for signing 21 auto insurance applications with attached altered documents of proof of the insureds' New Jersey residency.

John J. Connell, Arlington, VA; Robert Reardon, South Plainfield; Donald Sturgis, Voorhees; David L. Waterman, Toms River (separate and unreported matters) - Material misrepresentation on a license application

Michael Featherstone, Roselle - Failed to pay a fine imposed by the Commissioner

Alfred P. Fiorentino, Williamstown - Accepted funds totalling \$81,200 for various investment purposes, yet failed to invest the funds and retained them for his own use

Steve L. Gibbone, Longport - Negotiated a loan on a life insurance policy without the knowledge or consent of the insured, then deposited the check into his personal checking account; failed to comply with the Department's replacement regulation

Juanita Gordian, Teaneck - Failed to pay a fine imposed by the Commissioner

Stacy Lee Guiden, Pennsauken - Accepted life insurance payments totalling \$6,720 and failed to forward the funds to the insurer or return them to the insureds; failed to notify the Department of a change in her business address

Kohn J. Juncosa, North Bergen - Permitted an unlicensed employee to transact insurance business; failed to maintain the books and records required by the Department

Eliot W. Kerr, Jackson - Failed to pay a fine imposed by the Commissioner

Jeffrey W. Kleinbaum, Florham Park - Participated in the preparation of a declarations page and corresponding schedule representing coverage when none existed; altered a salary check to mislead a producer into believing that payment of a bill was forthcoming; failed to comply with the Department's replacement regulation; failed to file a trade name with the Department

Celeste Klein, Voorhees - Offered a credit card as an inducement to purchase a life insurance policy, resulting in the sale of 10 policies

Robert J. Lopez, Lawrenceville - Changed an insured's address of record to his home address and surrendered the insured's policy for \$6,934 without the insured's knowledge or consent, and subsequently forged the insured's endorsement on the surrender check issued by the insurer; failed to comply with a departmental subpoena; failed to notify the Commissioner within 30 days of formal disciplinary proceeding initiated by the New York Insurance Department

Anthony M. Marotta, Sicklerville - One-year suspension and \$5,000 fine for making a material misrepresentation on two license applications; convicted of a crime involving moral turpitude; failed to notify the Commissioner within 30 days of an indictment, conviction and proceedings before the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania

Kevin N. Matson, Mays Landing - Failed to remit to his employer \$21,832.05 received from potential insureds; failed to notify the Commissioner within 30 days of an accusation filed in New Jersey Superior Court, Atlantic County

Ricahrd N. Morello, Oakland - Submitted various forms to an insurer which did not contain the genuine signature of the insureds; negotiated 28 surrender and loan checks totalling \$35,238.60 which did not contain the genuine endorsements of the policyholders; accepted \$600 from an insured for an existing life insurance policy, yet applied the payment to other insureds' policies

Frank E. Murphy, Camden - Accepted insurance premium payments from nine insureds totalling \$2,538 and failed to remit the payments to the MTF; issued ID cards where no coverage existed; convicted of a crime involving moral turpitude; failed to notify the Commissioner of a conviction within 30 days; failed to remit monies owed the JUA; failed to establish a trust account

Norman J. Murphy, Maple Shade - Presented altered declarations page to two banks representing coverage that did not exist. (Murphy's agency, Garden State Searches, Inc. was fined \$10,000 in this matter.)

Mitchell L. Newman, Rochester, MI - Failed to notify the Commissioner within 30 days of the initiation of formal disciplinary proceedings by the Louisiana Insurance Commissioner; failed to cooperate with a departmental investigation

Pathfinder Financial Services, Inc., Irvington, and its active officer, Lawale L. Adewoyin, Elizabeth - Accepted a deposit for auto insurance and failed to secure the requested coverage or return the deposit to the applicant; submitted an application for certification to the New Jersey Personal Automobile Insurance Plan (PAIP) without the genuine signatures of two other producers.

Professional Excess Affiliates Corp., Iselin, and its active officer, Roy Bavaro, Lincroft - The officer was convicted of a crime involving moral turpitude

Ian Rolston, Paterson - Accepted deposits for auto insurance and failed to remit the funds or return them to the applicants; issued I.D. cards where no coverage existed; utilized receipts that failed to comply with departmental regulations

Anthony J. Ross, Browns Mills - Failed to remit \$2,187.55 in premiums received while a debit

agent

Tonya Ross, Camden - Two-year suspension for signing 33 auto insurance applications with attached altered documents of proof of the insureds' New Jersey residency

Michael Savvis, Colonia - Convicted of crimes involving moral turpitude

Donald R. Schaefer, Roselle Park - Misappropriated \$1,500 received for investment in a mutual fund; altered two money orders by making himself co-payee in order to deposit them into his bank account; used an ATM card to remove an aggregate amount of \$1,500 without the knowledge or consent of the cardholder; convicted of a crime involving moral turpitude; failed to notify the Commissioner within 30 days of an indictment, conviction and disciplinary action by the National Association of Securities Dealers; failed to comply with a departmental subpoena; failed to notify the Department of a change in his business address

Kenneth B. Schwartz, Manalapan - Revocation and \$1,500 in fines and costs; Failed to report an indictment to the Commissioner within 30 days; submitted a claim for a stolen company automobile when, in fact, the vehicle had not been stolen and was subsequently sold to another individual by his business partner

Francisco Suarez, Passaic - Accepted an insurance premium payment from an insured for an auto insurance policy renewal and failed to renew the policy, remit the payment to the insurer or return the funds to the insured; failed to comply with a departmental subpoena

Urulee Watson, Irvington - Failed to pay a fine imposed by the Commissioner

Worldwide Insurance and Financial Services, Marlton, and its active officer, Marie J. Zizzamia, Sewell - Permitted Thomas F. Del Corio, whose license had been revoked, to render services as an insurance producer

Other Penalties, Fines And Administrative Fees

The Department has imposed penalties and/or fines to the following companies for violations of New Jersey's insurance statutes and regulations:

Independence Blue Cross - \$1 million administrative payment in lieu of any penalty for issuing group health insurance contracts to New Jersey policyholders without specific authority to transact business as a service corporation or insurance carrier in New Jersey.

Midland National Life Insurance Company - \$1,000 for a life and health advertisement issued by an agent which failed to identify the insurer, accurate premium rates, the life insurance policy form and the terms and conditions of issue.

Reliance National Insurance Comapny - \$1,500 for issuing two policies to an insured through an unlicensed agency.

Stewart Title Guaranty Company - \$10,000 for permitting an unlicensed title agency to issue 1,075 title insurance policies on its behalf.

The Department also assessed fines and/or administrative penalties to the following producers and agencies for violations of the state's insurance laws and regulations:

Carlos Alejos, Somerville - \$20,000 in fines, attorney's fees and costs for issuing 24 checks with insufficient funds; failing to remit \$13,642.14 owed to the JUA for unearned commissions; failing to remit four insurance premium payments to the MTF; failing to file a trade name with the Department; soliciting life insurance without the requisite authority; failing to comply with a departmental subpoena.

Aon Entertainment, Ltd., Universal City, CA - \$1,500 for placing two risks prior to notifying the Department of a corporation name change, and placing a risk with a surplus lines insurer at a time when it lacked the requisite authority to do so.

David Becker, Somerset - \$4,500 for soliciting and effectuating health insurance without the requisite authority from the Department, and misrepresenting to the Department that he had accompanied another producer on the solicitation of six health insurance plans and witnessed the signing of the application by the prospective insureds.

Democratic Insurance Agency, Inc., Irvington, and its active officer, Jimmy Rivers, Hillside - \$5,000 for permitting his unlicensed daughter to transact insurance business during a period when she diverted \$21,000 in premiums, receiving and retaining unearned commissions due the JUA.

Richard DeVogel, Philadelphia, PA - \$1,250 for accepting a deposit from an insured and failing to forward the deposit and application to the insurer; failing to notify the Department of changes in his business and residence address.

Jaime Forero, Hackensack - \$1,500 for filing a vehicle registration which falsely represented that coverage had been secured for the vehicle; presenting an I.D. card to a police officer as evidence of insurance where no coverage existed.

IFS Agencies, White Plains, NY - \$5,000 for failing to identify the name of the insurer or the policy form number in an advertisement; failing to register a branch office with the Department within 30 days; failing to provide the Department with the names of the licensed employees transacting business on behalf of the agency.

Jess Landon Jordan, Mansfield, TX - \$1,000 for failing to notify the Commissioner within 30 days of fines imposed by other states; failing to notify the Department of changes in his business and home addresses.

Ronald J. Juray, Pennsauken - \$500 for submitting a life insurance application to an insurer in which he falsely certified that he had completely and accurately answered all of the questions on the application.

David Kampf, Oradell - \$250 for failing to notify the Commissioner within 30 days of signing a stipulation with the New York Insurance Department.

Frank Krushinski, Jr., Freehold - \$500 for failing to notify the Commissioner of an indictment within 30 days.

Murray M. Levin, Philadelphia, PA - \$1,000 for falsely representing, while a debit agent, that the insurer had received certain funds when, in fact, none of the funds had been collected.

Marlene T. Mazur, Colts Neck - \$2,000 for signing the name of an owner and beneficiary of a life insurance policy without the written authorization of the owner, and failing to witness the signature of the owner on the same form.

McCay Corporation Associates, Inc., Northfield - \$2,500 for accepting premium payments for a commercial property policy and failing to remit the payments in a timely manner.

Robert K. Myers, Stratford - \$4,000 for accepting a deposit for auto insurance from an insured and failing to secure the requested coverage; issuing an I.D. card where no coverage existed; failing to return the deposit to the insured in accordance with departmental rules; failing to secure a properly worded fee agreement; failing to submit a PAIP application in a timely manner.

National Allotment Agency, Ltd., Brooklyn, NY - \$500 for issuing a check with insufficient funds in payment of a license renewal fee.

North American Title Agency, Inc., West Orange - \$1,000 for accepting a deposit for title insurance and failing to secure the requested coverage.

Lambert L. Owens, West Deptford - \$1,000 for taking loans from a life insurance policy without the knowledge or consent of the insured.

Rene A. Paneque, West New York - \$3,000 for failing to remit a deposit premium to an insurer; issuing I.D. cards where no coverage existed; violating provisions of PAIP.

Jay A. Phillips, Pennsauken - \$500 for failing to file a trade name with the Department; failing to notify the Department of a change in his business address.

Jerome Reinfeld, Dunellen - \$1,250 for accepting a deposit for auto insurance, and failing to forward the deposit to the insurer or return it to the insured in a timely manner; using a receipt that did not comply with departmental guidelines.

Saul B. Schreier, Belle Mead - \$1,000 for sending misleading solicitation cards to potential clients to induce them to contact him, providing the producer with the opportunity to sell insurance to them.

Ricahrd Vitola, Oceanport - \$500 for failing to comply with life insurance replacement regulations.

Norman M. Weiss, Westfield - \$2,500 for failing to identify an insurer in a life/health insurance advertisement.

Howard A. Zukin, Cherry Hill - \$2,750 for issuing sales flyers which failed to identify the two insurers and accurate premium rates, the type of life insurance, and the terms and conditions of an insurance contract.

The folling producers and agencies were fined for violations of surplus lines statutes:

William R. Carey, Upper Saddle River - \$1,000
David L. Clark, Bridgewater - \$1,500
Mitchel Kalmanson, Maitland, FL - \$1,000
Franklin J. Keller, Newton - \$1,000
Stephen J. Kocsis, West Orange - \$750
Peerless Insurance Agency, Inc., Fairfield - \$500
Phoenix Interlines, Inc., Basking Ridge - \$1,000
Robert K. Kast Associates, Inc., Florham Park - \$250
Louis A. Tomich, Roseland - \$250

The Department assessed penalties to the following individuals and companies for transacting

insurance business without a current license:

Mary Ellen Blake, Rochelle Park - \$500 (Fine includes a penalty for failing to notify the Commissioner of a change in her home address.)

William J. Flaherty, Bricktown - \$500

Cleveland A. Foat, Cherry Hill - \$500 (Fine includes a penalty for failing to maintain a complete and accurate business address with the Department.)

James S. Gordon, Teaneck - \$250

Juan C. Reynoso, East Rutherford - Revocation (producer also failed to notify the Department of a change in his business and residence address.)

James Sottosonti, Paterson - \$1,000 (Fine includes a penalty for failing to maintain a complete and accurate residence address with the Department.)

The following producers received fines and/or license suspensions for material representation on a license application:

Kenneth Bronw, Montville - \$500

Richard T. Butler, Manahawkin - 60-day suspension

Ofelia V. Caballero, Elizabeth- \$500 civil penalty

Wayne H. Chapman, Holland, PA - \$500 civil penalty

James W. Cleary, Wayne, PA - \$250

Carolyn M. Foss, Trenton - \$500

Thomas P. Greenhall, Toms River - \$1,000 (Fine includes a penalty for failing to file a trade name with the Department.)

Michael E. Guthridge, Lakewood - \$1,000

Robert M. Hockema, Drexel Hill, PA - \$500 civil penalty

Ade Kunle B. Ilori, Union - \$500

John E. Kennedy, Feasterville, PA - \$500 civil penalty

Cheryl A. Kersnowski, Succasunna - \$500

Aaron Lewis, Philadelphia, PA - \$250

Mark J. McKeown, Spring Lake Heights - \$500

Alicia M. Mitchner-Jacobson, Newark - 90-day suspension and \$1,000 fine

Clarelle T. Mollica, Perth Amboy - \$250

Kimberly A. Novello, Lanoka Harbor - \$500

Barry S. Novick, Huntingdon, PA - \$500 civil penalty

Mark J. Palchonki, Old Bridge - \$250

Rhonda L. Peters, Montclair - \$250

The Department find the following producers \$250 for failing to notify the Department of a

change in their business and/or residence address:

Douglas C. Belden, Cranford
Eugene A. Chapman, Philadelphia, PA
Igbal S. Gadhok, Hackettstown
Robert Ougheltree, Ridgewood
Walter E. Pfistner, Piscataway
James J. Wagner, Hawthorne
Charles P. Wright II, Boonton Township



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