

New York State Insurance Department

ISSUED: 12/23/08

FOR IMMEDIATE RELEASE

NEW YORK STATE INSURANCE DEPARTMENT TAKES DISCIPLINARY ACTIONS AGAINST COMPANIES, AGENTS, BROKERS & ADJUSTERS

The New York State Insurance Department has taken disciplinary action against the following licensees. Those categorized as stipulations have been agreed to by the licensee. Department actions that result from Department hearings are subject to judicial review and possible stay of enforcement.

INSURANCE COMPANES

LICENSEE	ADDRESS	PENALTY
AutoOne Insurance Company	201 Old Country Road P.O. Box 9027 Melville, NY 11747	\$3,000 fine
Respondent violated Section 3440(b) of the Insurance Law and Department Regulation 35-A (11 NYCRR 60-1.5) in connection with the settling of six rental vehicle claims during 2006. [Stipulation approved August 5, 2008.]		

LICENSEE	ADDRESS	PENALTY
Community Premier Plus, Inc.	549 West 180 th Street New York, NY 10033	2,500 fine
Respondent failed to pay certain claims within the time limitations specified in Section 3224-a of the Insurance Law. [Stipulation approved March 21, 2008.]		

LICENSEE	ADDRESS	PENALTY
The Guardian Life Insurance Company of America	7 Hanover Square New York, NY 10004	\$2,300,000 fine
<p>Respondent violated Section 3234(b) of the Insurance Law by issuing explanation of benefit (EOB) forms that failed to identify the service for which the claim was made and failed to include information regarding the claimant's right to appeal a denial of benefits; Section 4904(d) by permitting the same clinical peer reviewer who rendered an adverse determination denying dental benefits to also conduct the appeal of the determination; Section 3221(l)(11-a)(A) by issuing group health insurance policies and certificates that did not include policy language providing coverage for diagnostic screening for prostate cancer; Section 403(d) and Department Regulation 95 [11 NYCRR 86.4(a) and (e)] by using group health insurance policy application forms that did not include the required insurance fraud warning statement or contained an unapproved warning statement; and Department Regulation 60 [11 NYCRR 51.6(b)(3) and (4)] by failing to examine and ascertain that Disclosure Statements prepared by its agents in connection with life insurance replacement transactions were accurate and met the requirements of the Insurance Law and Department Regulation 60, and by failing to furnish the insurer whose coverage was being replaced a copy of any proposal, including the sales material used in the sale and the completed Disclosure Statement, within ten days of receipt of the application. [Stipulations approved December 10, 2008.]</p>		

LICENSEE	ADDRESS	PENALTY
Pacific Specialty Insurance Company	3601 Haven Avenue Menlo Park, CA 94025	\$10,000 fine
<p>Respondent in connection with its motorcycle insurance program charged rates that deviated from the approved rates filed with the Department and failed to maintain adequate procedures to minimize the occurrence of improperly charged rates. [Stipulation approved November 3, 2008]</p>		

LICENSEE	ADDRESS	PENALTY
Transamerica Financial Life Insurance Company	4333 Edgewood Road NE Cedar Rapids, IA 52499	\$180,000 fine
<p>Respondent violated Section 4221(n-1)(3)(A) of the Insurance Law by using the wrong variation of the 1980 Commissioners Standard Ordinary Mortality Table for guaranteed cost of life insurance rates on juvenile coverage and by using surrender charges that exceeded the maximum limits. Respondent also violated Department Regulation No. 74 [11 NYCRR § 53] in connection with sales illustrations; Section 3215(c)(1) of the Insurance Law by using pre-existing condition limits that did not comply with the law; and Section 296(16) of the New York Human Rights Law by using a question on the application which inquired about arrests rather than convictions. [Stipulation approved December 11, 2008.]</p>		

LICENSEE	ADDRESS	PENALTY
USAA General Indemnity Company	9800 Fredericksburg Road San Antonio, TX 78288	\$34,000 fine
Respondent exceeded the maximum number of private passenger automobile non-renewals permitted during a calendar year. [Stipulation approved December 16, 2008.]		

AGENT AND BROKER HEARINGS

Region: Binghamton

LICENSEE	ADDRESS	PENALTY
Nanette R. Dayton (Independent Adjuster)	112 Whispering Pine Lane Afton, NY 13730	License Revoked
Respondent while acting as an independent adjuster for an insurance agency stole money from the agency and was convicted of a misdemeanor. Respondent failed to respond to Department's letters thereby hampering and impeding the Department's investigation; and failed to notify the Department within thirty days that she changed her business address. [Order issued February 5, 2008.]		

Region: New York City

LICENSEE	ADDRESS	PENALTY
Martha G. Brea (Broker)	c/o CYA Brokerage Inc. 2122 Westchester Avenue Bronx, NY 10462	License Revoked
Respondent collected money from an insured as an automobile insurance premium deposit and failed to remit a portion of the funds to the insurance agency or otherwise properly account for said funds. Respondent failed to respond to Departmental investigatory letters thereby hampering and impeding the Department's investigation. [Order issued November 26, 2008.]		

LICENSEE	ADDRESS	PENALTY
Lesly C. Deverson (Agent)	1 Benson Avenue Elmont, NY 11003	License Revoked
Respondent cashed checks made payable to a client without the client's permission; failed to respond to Departmental investigatory letters thereby hampering and impeding the Department's investigation .and failed to notify the Department within 30 days that he changed his business address. [Order issued December 9, 2008.]		

LICENSEE	ADDRESS	PENALTY
AJ Johnson (Agent)	809 W. 181 st Street New York, NY 10023	License Revoked
Respondent, while employed as an agent, completed and submitted fictitious applications for accident and specified disease insurance policies and automatic withdrawal forms for invalid bank accounts to his employer. Respondent received commissions for said transactions. [Order issued December 2, 2008.]		

LICENSEE	ADDRESS	PENALTY
Luis E. Macias (Agent)	65 Park Terrace West New York, NY 10034	License Revoked
Respondent failed to respond to Department inquiry letters requesting information and documentation, in connection with an affirmative response on his license application, thereby hampering and impeding the Department's investigation. [Order issued December 2, 2008.]		

LICENSEE	ADDRESS	PENALTY
Riaz Ahmed Malik (Broker)	c/o San Group Inc. 3578 Jerome Avenue Bronx, NY 10467	License Revoked
Respondent collected premium money from an insured and failed to remit the money to the insurer or to refund same or otherwise properly account therefor, transacted insurance business under an unlicensed name, made materially incorrect answers on his license renewal applications regarding his residential address, and failed to disclose on his broker's license renewal application that he was the subject of an prior administrative action with the Department. Respondent also failed to respond to Department's inquiry letters or submit any documentation requested, thereby hampering and impeding the Department's investigation. [Order issued December 9, 2008.]		

LICENSEE	ADDRESS	PENALTY
Mateo Business Center Corp. (Broker)	811 Grand Street Brooklyn, NY 11211	\$800 fine
Plinio Mateo (Broker, Agent - License Pending and Sublicensee)	Same as Above	
Respondent Plinio Mateo failed to disclose on his renewal application for his broker's license that he was convicted of a crime, and failed to respond to Departmental investigatory letters. Respondents Plinio Mateo and Mateo Business Center Corp. issued insurance premium payment transmittal checks that were dishonored by the bank upon which they were drawn, and in doing so, Respondents violated their agreement in a prior stipulation entered into with the Department that they would take all necessary steps to prevent the recurrence of dishonored check violations. [Order issued November 26, 2008.]		

LICENSEE	ADDRESS	PENALTY
Albert A. Pometto, Jr. (Broker)	1442 86 th Street Brooklyn, NY 11228	\$3,000 fine
Respondent was convicted of a felony. [Order issued December 2, 2008.]		

Region: Suffolk

LICENSEE	ADDRESS	PENALTY
Antonina M. Thornton (Agent and Broker)	829C Long island Avenue Deer Park, NY 11729	License Revoked
Respondent collected insurance premiums from insureds and failed to properly remit the monies to an insurer or otherwise properly account for it; issued a forged insurance identification card; and issued insurance premium checks that were dishonored by the bank upon which they were drawn and never replaced. In addition, Respondent also failed to respond to Department inquiry letters requesting information and documentation thereby hampering and impeding the Department's investigation. [Order issued November 26, 2008.]		

Region: Utica

LICENSEE	ADDRESS	PENALTY
Patricia Ann Scheckler (Agent)	7709 Hamilton Road Hamilton, NY 13346	License Revoked
Respondent misappropriated money from the premium account to pay for personal transactions and was subsequently terminated by her employer and arrested. Respondent failed to notify the Department within 30 days that she was arrested; failed to notify the Department of a business address change within 30 days; and failed to respond to Departmental investigatory letters thereby hampering and impeding the Department's investigation. [Order issued November 26, 2008].		

Region: Out of State

LICENSEE	ADDRESS	PENALTY
Drew C. Armentrout (Agent)	2513 Southwest Avenue Harlan, IA 51537	\$100 fine
Respondent failed to timely submit to the Department information and documentation that was requested in a Departmental investigatory letter. [Order issued November 26, 2008.]		

LICENSEE	ADDRESS	PENALTY
Ashley Marie Biswell (Agent)	10896 Calle Verde #249 La Mesa, CA 91941	License Revoked
Respondent failed to obtain accurate underwriting information from an automobile insurance applicant, arbitrarily placing information on the applicant's application without making due diligent efforts to verify if the information was correct. Respondent also failed to notify the Department within 30 days that she changed her business address and failed to respond to Departmental investigatory letters. [Order issued November 26, 2008.]		

LICENSEE	ADDRESS	PENALTY
Eric S. Koch (Agent)	35 Church Street Paterson, NJ 07509	\$1,000 fine
Respondent failed to appear at Department for a statement under oath, failed to provide complete responses to Departmental investigatory letters thereby hampering and impeding the Department's investigation and failed to notify the Department within 30 days that he changed his address. [Order issued December 3, 2008.]		

LICENSEE	ADDRESS	PENALTY
Joseph W. Schutt (Agent)	260 East 246 th Street Euclid, OH 44123	License Revoked
Respondent failed to report to the Superintendent within 30 days of the final disposition of the matter that he was fined by the Mississippi Insurance Department and that his producer's license was revoked by the Virginia, State Corporation Commission; failed to notify the Department within 30 days that he changed his business address; and failed to respond to Departmental investigatory letters and appear at the Department with requested documentation thereby hampering and impeding the Department's investigation. [Order issued December 2, 2008.]		

LICENSEE	ADDRESS	PENALTY
John H. Vartanian (Agent)	2912 Rockaway Court Tampa, FL 33610	License Revoked
Respondent's insurance producer's license was revoked by the State of Louisiana Department of Insurance; Respondent failed to comply with an administrative or court order; and Respondent hampered and impeded the Department's investigation when he failed to respond to numerous Departmental letters directing that he submit to the Department information and documentation relating to the aforementioned matters; and Respondent also failed to notify the Department within thirty days that he changed his business address. [Order issued November 26, 2008.]		

AGENT AND BROKER STIPULATIONS

Region: Albany

LICENSEE	ADDRESS	PENALTY
Lee & Mason Financial Services Inc. (Agent, Broker and Excess Line Broker)	P.O. Box 270 719 St Highway Northville, NY 12134	\$6,250 fine
Charles E. Pritchard (Agent, Broker and Sublicensee)	Same as above	
Terry J. Poulin (Agent, Broker and Sublicensee)	Same as above	
Virginia E. Galpin (Agent, Broker and Sublicensee)	Same as above	
Christopher L. Miller (Broker, Excess Line Broker and Agent – License Pending)	Same as above	
Respondent Lee & Mason Financial Services Inc. failed to notify the Department within thirty days that it was fined by the Massachusetts Office of Consumer Affairs and Business Regulation Division. Respondents failed to disclose on their applications for agent's and broker's licenses that Respondent Lee & Mason Financial Services Inc., of which Respondents are officers or directors, was the subject of the aforementioned administrative action. [Stipulation approved November 7, 2008.]		

LICENSEE	ADDRESS	PENALTY
Santos Lemos Batiduan (Broker)	625 West 51 st Street New York, NY 10019	\$1,000 fine
Respondent conducted insurance business as a broker in this State without a license. [Stipulation approved December 10, 2008.]		

LICENSEE	ADDRESS	PENALTY
Helen Susan Rothlein (Agent)	10 Hanover Square New York, NY 10005	\$1,000 fine
Respondent failed to comply with Department Regulation 60 in connection with annuity replacement transactions. [Stipulation approved December 16, 2008.]		

LICENSEE	ADDRESS	PENALTY
Lolita Ryklin (Broker and Sublicensee of 51 Street Agency, Inc.)	625 West 51 st Street New York, NY 10019	License Revoked
Respondent allowed unlicensed individuals to transact insurance business in this State by discussing coverages with insureds relating to applications for TLC mandated insurance. [Stipulation approved December 10, 2008.]		

LICENSEE	ADDRESS	PENALTY
George D. Taramona (Bail Bond Agent)	c/o All City Agency Inc. 125-10 Queens Boulevard Kew Gardens, NY 11415	\$4,000 fine
Respondent failed to respond to Departmental investigatory letters requesting information and documentation and thereby hampered and impeded an official Department investigation. [Stipulation approved November 24, 2008.]		

LICENSEE	ADDRESS	PENALTY
United States Aviation Underwriters Incorporated (Agent – License Pending)	One Seaport Plaza 199 Water Street New York, NY 10038	\$16,950 fine
Rosanne Theresa Aponte (Agent and Proposed Sublicensee)	Same as above	
Respondent United States Aviation Underwriters Incorporated (“USAU”) transacted insurance business without a license, and employed unlicensed individuals to engage in the insurance business. Respondents failed to disclose on the relicensing application for USAU’s agent’s license that USAU had transacted insurance business in New York State since expiration of its agent’s license. [Stipulation approved December 12, 2008.]		

Region: Suffolk

LICENSEE	ADDRESS	PENALTY
Affiliated Agency Inc. (Agent, Broker, and Excess line Broker)	255 Executive Drive Plainview, NY 11803	\$1,200 fine
Philip S. Muller (Agent, Broker, and Sublicensee)	Same as Above	
Respondents collected insurance premiums and other funds from insureds on behalf of unlicensed entities doing insurance business in the State of New York and otherwise aided and facilitated those entities in doing an insurance business in this State. [Stipulation approved November 17, 2008.]		

LICENSEE	ADDRESS	PENALTY
Thomas R. Pombonyo (Agent and Broker)	13 Young Street West Babylon, NY 11704	License Revoked
Respondent was convicted of felonies. [Stipulation approved November 29, 2008.]		

Region: Out of State

LICENSEE	ADDRESS	PENALTY
Kathleen Everhart (Agent)	106 South Five points Road Westchester, PA 19382	\$250 fine
Respondent failed to notify the Department within 30 days that she was fined by the Connecticut Department of Insurance. [Stipulation approved November 26, 2008.]		

LICENSEE	ADDRESS	PENALTY
Derrick Shovenn Montgomery Sr. (Agent)	c/o Wells Fargo Insurance 600 South Highway 169 St. Louis Park, MN 55426	\$500 fine
Respondent failed to disclose on two original applications for an agent's license that he was convicted of a misdemeanor. [Stipulation approved December 17, 2008.]		

LICENSEE	ADDRESS	PENALTY
Newbridge Securities Corporation (Agent)	1451 West Cypress Creek Road Fort Lauderdale, FL 33309	\$1,500 fine
Kenneth NMA Brown (Agent and Sublicensee)	Same as Above	
Respondent Newbridge Securities Corporation failed to disclose on its original and relicensing applications for its agent's license that it was fined in three instances by the National Association of Securities Dealers ("NASD"), and failed to report to the Superintendent within 30 days of the final disposition of the matter that it was fined in two other instances by the NASD. Respondent Kenneth NMA Brown failed to properly review the aforementioned relicensing application that was submitted to the Department on behalf of Respondent Newbridge Securities Corporation. [Stipulation approved December 11, 2008.]		

LICENSEE	ADDRESS	PENALTY
R. Tim Reed (Agent)	48259 National Road West Street Clairsville, OH 26003	\$500 fine
Respondent failed to report to the Superintendent within 30 days of the final disposition that the Florida Department of Financial Services placed Respondent's nonresident general lines (property and casualty) insurance agent's license on probation and that Respondent was fined by the Delaware Insurance Department. [Stipulation approved December 11, 2008.]		

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