

# New York State Insurance Department

ISSUED: 7/21/2010

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 COMPANIES

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Combined Life Insurance Company of New York	11 British American Boulevard Latham, NY 12110	\$50,000 fine
Respondent violated Section 4221(c)(1) of the Insurance Law, by using a non-forfeiture interest rate of 5.75% on whole life policies, which produced less favorable cash surrender values than those required by law; and Section 86.4(a) of Department Regulation No. 95 [11 NYCRR 86.4(a)], by failing to include the required fraud warning statement on its life insurance claim forms processed by its call center. [Stipulation approved May 21, 2010.]		

### SERVICE CONTRACT PROVIDERS

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Athens Administrative LLC (Service Contract Provider – Application Pending)	1716 Corporate Crossing O' Fallon, IL 62269	\$750 fine
Respondent failed to disclose that another entity with a common officer of Respondent was fined by the Department for selling service contracts in New York without a proper registration. [Stipulation approved May 11, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Bridgestone Retail Operations, LLC	333 East Lake Street Bloomington, IL 60108	\$295,000 fine
After the expiration of its registration to act as a service contract provider pursuant to Article 79 of the Insurance Law, Respondent continued to act as a service contract provider in the State of New York without an approved registration as required under Section 7907 of the Insurance Law. [Stipulation approved May 4, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Pep Boys-Manny, Moe & Jack of Delaware, Inc. (Service Contract Provider – Application Pending)	3111 West Allegheny Avenue Philadelphia, PA 19132	\$225,000 fine
Respondent, after the expiration of its registration to act as a service contract provider, continued to act as a service contract provider in the State of New York without an approved registration as required. [Stipulation approved June 8, 2010.]		

**AGENT AND BROKER STIPULATIONS**

**Region: Albany**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Harry R. Hayes (Agent)	c/o Jaeger and Flynn Associates, Inc. 30 Corporate Drive Clifton Park, NY 12065	License Revoked
Respondent was found guilty of professional misconduct and the Supreme Court, Appellate Division, Third Department suspended Respondent from the practice of law for a period of two years for converting client funds and failing to deposit client funds into an escrow account; subsequently, the Supreme Court, Appellate Division, Third Department, found Respondent guilty of professional misconduct and Respondent was disbarred from the practice of law in New York State, for among other actions, submitting two false and fraudulent satisfactions of judgments; and Respondent failed to disclose the aforesaid administrative proceedings on his original application for an agent's license. [Stipulation approved May 24, 2010]		

**Region: Buffalo**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Richard Bruce Adams t/b/a R.B. Adams Agency (Agent and Broker)	539 East Main Street Batavia, NY 14020	\$3,750 fine
Respondent issued insurance premium payment transmittal checks for which his premium bank account had insufficient funds and for which the bank made payment through his overdraft protection. Respondent also circulated an advertisement through the United States Postal Service that was misleading with respect to the rates and discounts quoted in the advertisement, and used unapproved names in conducting business as an insurance producer in the State of New York. [Stipulation approved June 4, 2010]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Lorenzo Altadonna (Agent)	3828 Knottingwood Drive North Tonawanda, NY 14120	License Revoked
Respondent was convicted of a crime. [Stipulation approved June 24, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Buffalo Insurance Agency LLC (Agent)	4184 Seneca Street West Seneca, NY 14224	\$750 fine
Mark J. Bugenhagen (Agent, Broker and Sublicensee)	Same as above	
Respondents transacted insurance business under an unlicensed name after its license had expired. [Stipulation approved June 16, 2010.]		

**Region: Elmira**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Doris L. Brown (Bail Bond Agent)	PO Box 295 Corning, NY 14830	\$1,500 fine
Respondent acted as a bail bond agent in the State of New York under names which were not licensed by the Superintendent. [Stipulation approved May 11, 2010]		

**Region: New York City**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Coverage Administrators Inc. (Agent, Broker, and Excess Line Broker)	111 John Street New York, NY 10038	\$1,500 fine
Eugene J. Zapin (Broker and Sublicensee)	Same as Above	
Brian L. Zapin (Broker and Sublicensee)	Same as Above	
Respondents acted as an agent for insurers in the solicitation of, negotiation for, or sale of property and casualty insurance after Respondent Coverage Administrators Inc.'s license to act as an agent under Section 2103(b) had expired; and Respondents failed to disclose on Respondent Coverage Administrators Inc.'s re-licensing application that Respondent Coverage Administrators Inc. had transacted business in New York State as an agent under Section 2103(b) of the Insurance Law after the expiration of its last authority. [Stipulation approved May 18, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
UMGA East Insurance Agency Inc. (Broker)	9128 4 <sup>th</sup> Avenue Brooklyn, NY 11209	Licenses Revoked
National Brokerage, Inc. (Broker)	Same as Above	
Chris Ferraro (Broker and Sublicensee)	Same as Above	
<p>Respondent Chris Ferraro and Respondent National Brokerage Inc. permitted an individual, who was not licensed under any provision of the Insurance Law, to conduct business as an insurance broker on behalf of National Brokerage Inc.; Respondent Chris Ferraro was convicted, upon plea of guilty, of Falsifying Business Records in the 2nd degree, in violation of New York Penal Law §175.05, and Scheme to Defraud in the 2nd degree, in violation of New York Penal Law §190.60, class A misdemeanors; and Respondent Chris Ferraro and Respondent UMGA East Insurance Agency Inc. failed to disclose on the relicensing application of Respondent UMGA East Insurance Agency Inc. that Respondent Chris Ferraro had been previously convicted of a class B felony and a class A misdemeanor. [Stipulation approved May 27, 2010]</p>		

**Region: Rochester**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Marty Rennert (Agent)	1151 Pittsford Victor Road Pittsford, NY 14534	\$500 fine
<p>Respondent failed to report to the Superintendent within 30 days of the initial pretrial hearing date that he was the subject of a criminal prosecution. [Stipulation approved May 6, 2010]</p>		

**Region: Syracuse**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Esaic Inc. (Agent and Broker)	101 Cayuga Street Fulton, NY 13069	\$750 fine
Robert K. Wallace (Sublicensee)	Same as above	
Mary K. Jones (Sublicensee)	Same as above	
Jamieson C. Persee (Sublicensee)	Same as above	
<p>Respondents failed to disclose on the renewal application of Respondent ESAIC Inc. for an agent's license that Respondent ESAIC INC. was fined by the Chief Financial Officer of the State of Florida. [Stipulation approved June 24, 2010]</p>		

**Region: Westchester**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Traza Insurance Agency, Inc. (Broker)	917 Cross bay Boulevard Broad Channel, NY 10693	\$2,500 fine
Antonio Causi (Broker and Sublicensee)	Same as above	
<p>Respondents issued advertisements that referred to insurers without setting forth therein the name in full of each insurer, and without setting forth the name of the city, town or village in which each insurer had its principal office in the United States; Respondents conducted business as an insurance broker using a name that had not been approved by the Superintendent; Respondent Traza Insurance Agency Inc. placed risks and took out insurance without having authority to do so by virtue of an insurance broker license under the Insurance Law; and Respondents issued checks transmitting insurance premiums when their premium account had insufficient funds, subjecting Respondents' account to insufficient funds fees and returned items fees. [Stipulation approved June 8, 2010]</p>		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
TSR Group, Inc. (Broker)	6 Hillside Road Sloatsburg, NY10974	Licenses Revoked
Tristate Risk Services, Inc. (Broker)	Same as above	
Frank D. Polloni (Broker and Sublicensee)	Same as above	
<p>Respondent Frank D. Polloni failed to notify the Superintendent within thirty days that he is currently the subject of a criminal prosecution for obtaining or retaining Broadway Premium Finance Company funds of approximately \$220,000.00 in violation of New Jersey Statutes Annotated 2C:20-9, in the New Jersey Superior Court, Ocean County; and Respondents hampered and impeded the Department's investigation by failing to respond to Departmental investigatory letters requesting information and documentation. [Stipulation approved June 10, 2010.]</p>		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Renata Zawadzki (Broker)	250 Route 6 Mahopac, NY 10541	\$1,500 fine
<p>Respondent issued insurance premium payment transmittal checks that were dishonored by the bank upon which they were drawn; commingled insurance premium fiduciary funds with business operating expense funds; and used an unapproved name in conducting business as an insurance producer. [Stipulation approved May 27, 2010]</p>		

**Region: Out of State**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Brown & Brown of Colorado Inc. (Broker)	1660 South Albion Street Denver, CO 80222	\$2,250 fine
Respondent failed to disclose on its relicensing application for a broker's license that its President was placed on probation for a period of one year by the Alabama Department of Insurance, and that Respondent's sole owner was previously fined by the Department on two occasions. [Stipulation approved June 2, 2010]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Christian DePriest (Life Broker- License Pending)	3102 West End Avenue Nashville, TN 37203	\$750 fine
Respondent failed to disclose on his original application for a life broker's license that Respondent was placed on probation for one year by the Commissioner of Insurance of the State of Alabama. [Stipulation approved June 11, 2010]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Eunice Esther Halfhill (Agent)	c/o Humana Insurance Company 3501 SW 160 <sup>th</sup> Ave Miramar, FL 33027	\$500 fine
Respondent failed to report to the Superintendent within thirty days of the final disposition of the matter that she was fined by the Director of Insurance of the State of Illinois Department of Financial and Professional Regulation. [Stipulation approved May 13, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Kevin S. Kilkenny (Broker)	701 B Street San Diego, CA 92101	\$1,000 fine
Respondent failed to report to the Superintendent within 30 days of the final disposition of the matter that he was fined by the Kentucky Department of Insurance and the Delaware Insurance Department. [Stipulation approved May 6, 2010]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Amy Malcynski (Agent)	61 East Madison Avenue Florham, NJ 07932	\$5,250 fine
Respondent acted as an insurance producer in the State of New York without a license. [Stipulation approved May 27, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Nancy A. Newman (Agent)	140 E. Ryan Street Brillon, WI 54110	License Revoked
Respondent's non-resident agent license was revoked by the Insurance Commissioner of the State of Washington, and Respondent failed to report the aforementioned administrative action to the Superintendent within thirty days of the final disposition of the matter. [Stipulation approved May 6, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
NIP Group Inc. (Agent and Broker)	900 Route 9 North Woodbridge, NJ 07095	\$4,500 fine
Respondent conducted insurance business as an excess line broker in this State without a license, collected insurance premiums and other funds from insureds on behalf of various unlicensed entities doing insurance business in the State of New York, and otherwise aided and facilitated such entities in doing an insurance business in this State. [Stipulation approved June 16, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Preferred Medical Claim Solutions LLC (Independent Adjuster – License Pending)	17200 North Perimeter Drive Scottsdale, AZ 85255	\$7,500 fine
Respondent received referrals of out-of-network claims from third party administrators who represent self-funded employee benefit plans and from a health insurer and then negotiated discounts with the out-of-network providers on those claims, which the Department has determined required licensure as an independent adjuster. [Stipulation approved May 28, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
SCB Enterprises Ltd.. (Agent and Broker)	82383 Wilshire Boulevard Beverly Hills, CA 90211	\$750 fine
Sheldon Jay Bachrach (Sublicensee)	Same as above	
Respondents failed to report to the Superintendent within 30 days of the final disposition of the matter that Respondent SCB Enterprises Ltd was fined by the Chief Financial Officer of the State of Florida. [Stipulation approved June 18, 2010]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Stephen Seefeld (Broker)	11231 US Highway 1 North Palm Beach, FL 33408	\$2,000 fine
Respondent's insurance producer's license was revoked by the State of California Department of Insurance and Respondent was the subject of an administrative action by the State of Florida, Department of Financial Services. Respondent failed to notify the Department within thirty days of the aforementioned administrative actions. [Stipulation approved June 1, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Alexander Zarovsky (Agent)	9 West Parsonage Way Englishtown, NJ 07726	License Revoked
Respondent solicited, negotiated and/or delivered in the State of New York annuity contracts issued by an unauthorized insurer, and otherwise aided and facilitated an insurance company in doing an insurance business in the State of New York and in connection with the aforementioned annuity contracts, Respondent knowingly submitted to an insurance company applications which falsely stated that the annuitant signed the application in New Jersey when in fact the application was signed in the State of New York. Respondent also failed to appear at the Department for a statement under oath concerning the aforementioned matters, thereby hampering and impeding the Department's investigation. [Stipulation approved June 8, 2010.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Dennis G. Zimmer, Jr. (Life Broker)	117 Warren Street Sayre, PA 18840	\$500 fine
Respondent delivered in the State of New York an annuity contract issued by an unauthorized insurer, and otherwise aided and facilitated said insurer in doing an insurance business in the State of New York. [Stipulation approved June 16, 2010]		

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