



**STATE OF NEW YORK  
INSURANCE DEPARTMENT**  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

**Circular Letter No. 15 (2000)  
May 23, 2000**

**TO: All Licensed Fraternal, Life and Accident And Health, Title, Property/Casualty, Reciprocal, Financial Guaranty and Mortgage Guaranty Insurers, Medical Malpractice Insurance Association, Cooperative Property/Casualty Insurers Operating on the Advance Premium Plan, Assessment Cooperative Companies, The State Insurance Fund, United States Branches, Accredited Reinsurers of the Aforementioned Types of Companies, Hospital, Health, Medical, and Dental Service or Indemnity Article 43 Corporations, and Public Health Law Article 44 Health Maintenance Organizations**

**RE: The Violent Crime Control Law Enforcement Act of 1994 Title 18 U.S.C. Section 1033 and 1034**

This letter is to advise all persons and firms engaged in or contemplating being engaged in the business of insurance that under the captioned federal statutes it is a violation thereof for an individual who has been convicted of any felony involving dishonesty or breach of trust to willfully engage in the business of insurance in interstate commerce. Further, the statutes prohibit the willful employment of an individual with such a felony conviction in the business of insurance and subjects the employer of such individual to criminal penalties.

The term "business of insurance" is broadly defined in Section 1033 and could include a wide range of licensees and employees. There is no grandfather provision for those individuals with convictions that occurred prior to the effective date of the statute who are currently employed or licensed in the business of insurance. Any person or firm engaged in the business of insurance in interstate commerce must notify the appropriate state insurance department of all individuals who are subject to said laws and, if employment of such individuals is desired, will have to apply for an exemption from the employment prohibition before such individuals can engage or continue in the business of insurance in interstate commerce.

An individual with a felony conviction described in the statutes who engages or intends to be engaged in the business of insurance in interstate commerce in this state should notify this Department and request an exemption from the statutes' prohibition on engagement or employment. The Department will then conduct an investigation to determine if an exemption should be granted or denied. Be advised that a request for an exemption in no way guarantees

that it will be granted. The purpose of the investigation is to permit the Department to determine that, notwithstanding the conviction, the individual is fit to participate in the business of insurance in interstate commerce without constituting a risk to consumers and insurers. The burden is on the individual seeking the exemption to establish that the granting thereof is warranted.

If the Department has jurisdiction, the Superintendent or his designee will consider granting a written exemption for that individual to engage in the business of insurance in interstate commerce once the investigation has been completed and a determination has been made. The Superintendent may honor similar action by a regulatory official of another state. All affected individuals or firms are encouraged to thoroughly review the aforementioned federal statutes and ensure their compliance therewith. Determinations on written exemptions will be made on a case-by-case basis.

Any questions concerning this Circular Letter may be directed to:

Mr. Stephen Martuscello  
Principal Insurance Examiner  
New York State Insurance Department

Consumer Services Bureau  
Agency Building One  
Nelson A. Rockefeller Empire State Plaza  
Albany, NY 12257  
(518) 474-9838

Very truly yours,

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Salvatore Castiglione  
Chief Consumer Services Bureau

For written consent to engage in the business of insurance pursuant to 18 U.S.C. §§ 1033 and 1034:  
[Click here to download the application \(PDF\)](#)  
[Click here to download the application \(Word\)](#)