

New York State Insurance Department

ISSUED: 11/23/09

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

LICENSEE	ADDRESS	PENALTY
American Progressive Life and Health Insurance Company of New York	PO Box 23 Brewster, NY 10509	\$500,000 fine
Respondent implemented a Medicare Supplement Hospital Network Program that offered its Medicare supplement insureds a premium credit if they used a hospital that participated in Respondent's USA Preferred Provider Organization (PPO) hospital network. The Program violated Section 52.22(d) of Department Regulation 62 [11 NYCRR 52.22(d)], which does not permit an insurer to establish a hospital network for Medicare supplement insurance. In addition, the Program utilized forms that were not approved by the Superintendent as required under Section 3201(b) of the Insurance Law, and was implemented without making any changes to Respondent's insurance contracts, in violation of Section 3204(a)(1) of the Insurance Law. The offering and payment by Respondent of a premium credit to its insureds in connection with the Program was also an impermissible inducement and rebate in violation of Section 4224(c) of the Insurance Law. [Stipulation approved October 7, 2009.]		

LICENSEE	ADDRESS	PENALTY
First Unum Life Insurance Company	2211 Congress Street Portland, ME 04122	\$130,000 fine
Respondent violated Section 4232(b)(4) of the Insurance Law by not having written criteria approved by its board of directors for additional amounts credited on universal life policies; Section 4232(b)(2) of the Insurance Law when the method used to credit interest rates on its universal life policies was not based directly on reasonable investment income assumptions; and Section 53-3.6(d) of Department Regulation No. 74 [11 NYCRR § 53-3.6(d)], by failing to notify policyowners in the annual report of an adverse change in non-guaranteed elements that could affect the policies as a result of widened interest spreads between investment income and the credited interest rates from what was originally illustrated. [Stipulation approved November 5, 2009.]		

AGENT AND BROKER HEARINGS

Region: Albany

LICENSEE	ADDRESS	PENALTY
Christopher Unger (Agent)	639 Park Avenue Albany, NY 12208	License Revoked
Respondent, while employed as an agent for an insurer, intentionally completed and submitted for processing fraudulent accident and health insurance applications that were neither requested nor authorized by the persons identified as the applicants. In connection with some of the policies, Respondent authorized automatic electronic premium payment debits from his own closed bank account, and in connection with the remaining policies, Respondent fraudulently identified one of the purported applicants as the person authorizing automatic electronic premium payment debits. Additionally, Respondent failed to appear before the Department for a scheduled statement under oath, and failed to notify the Department of an address change within 30 days of the change. [Order issued September 8, 2009.]		

Region: Buffalo

LICENSEE	ADDRESS	PENALTY
Gas & Oil Industries Inc. (Broker)	2 Holly Road Lakewood, NY 14750	Licenses Revoked
Ralph J. Snow (Broker)	Same as above	
<p>Respondents collected insurance premiums from insureds, failed to remit said insurance premiums to the insurer, and failed to otherwise properly account for the premiums. Respondents also commingled monies by using the same checking account to issue premium checks and to take withdrawals of money for personal and operating expenses. [Order issued September 17, 2009.]</p>		

Region: New York City

LICENSEE	ADDRESS	PENALTY
Cuncho J. Brown (Agent)	781 Monroe Street Brooklyn, NY 11221	License Revoked
<p>Respondent sold investor-owned life insurance policies, known as "IOLI policies", in which the owner-investor lacked a lawful insurable interest in the life of the insured, and was paid commissions for those sales. Respondent also failed to notify the Department of an address change within thirty days. [Order issued November 6, 2009.]</p>		

LICENSEE	ADDRESS	PENALTY
Maximo A. Diaz (Agent and Broker)	727 Fourth Avenue Brooklyn, NY 11232	License Revoked
<p>Respondent used personal identification information to complete false premium finance loan applications, on which he signed the names of his clients without their authority or consent, to unlawfully obtain money for his personal use. Respondent failed to report to the Superintendent within thirty days of the initial pretrial hearing date his criminal prosecution of the aforementioned actions. [Order issued October 23, 2009.]</p>		

LICENSEE	ADDRESS	PENALTY
Eric Garcia t/b/a Far Rock Insurance Center (Broker)	456 Beach 63 rd Street Far Rockaway, NY 11692	License Revoked
Respondent issued an insurance premium payment check that was dishonored by the bank upon which it was drawn, and commingled premium monies with operating or personal expense monies. Respondent also failed to properly identify his premium bank account, and failed to furnish all documentation that the Department directed that he furnish at an audit. [Order issued September 11, 2009.]		

LICENSEE	ADDRESS	PENALTY
Winston A. Green, Jr. (Agent)	22 Tarry Lane Levittown, NY 11756	License Revoked
Respondent submitted numerous fraudulent accident and health insurance applications and payment forms containing false material information and false signatures of fictitious or non-consenting applicants. Respondent collected unearned commissions from these fraudulent sales. Respondent also failed to respond to Departmental investigatory letters thereby hampering and impeding the Department's investigation. [Order issued September 24, 2009.]		

Region: Suffolk

LICENSEE	ADDRESS	PENALTY
Sheerie Moustakas (Agent)	139 Fairview Circle Middle Island, NY 11953	License Revoked
Respondent collected insurance premium payments from various insureds and failed to timely remit said payments to the insurer. In connection with insurance applications, Respondent submitted premium payment checks to the insurer that were not drawn from the applicants' bank accounts, and submitted a counterfeit check. Respondent also failed to respond to the Department's letters and failed to appear at the Department for a statement under oath as directed, thereby hampering and impeding the Department's investigation. [Order issued October 22, 2009.]		

Region: Out of State

LICENSEE	ADDRESS	PENALTY
Tamieka Renee Briscoe-Chong (Agent)	356 Cypresswood Court Virginia Beach, VA 23454	\$400 fine
Respondent failed to notify the Department within thirty days of her criminal prosecution, failed to notify the Department of a change in her business address within thirty days of the change, and failed to respond to Department investigatory letters thereby hampering and impeding the Department's investigation. [Order issued September 30, 2009.]		

LICENSEE	ADDRESS	PENALTY
Latasha Zenita Finley (Agent)	908 Potomac Drive Lancaster, TX 75134	License Revoked
Respondent failed to report to the Superintendent within thirty days of the final disposition of the matters that her license was suspended by the Indiana Commissioner of Insurance and revoked by the Virginia State Corporation Commission, and failed to notify the Department of her change of residence address within thirty days of such change. Respondent also failed to respond to a Department letter inquiring about the termination of her employment as an insurance agent for cause, and thereby hampered and impeded the Department's investigation. [Order issued November 6, 2009.]		

LICENSEE	ADDRESS	PENALTY
Lorraine Cara Gardea (Non-Resident Agent)	7154 W Mohawk Lane Glendale, AZ 85308	License Revoked
Respondent's accident/health producer and life producer license in her home state was revoked following a hearing by the Arizona Department of Insurance because Respondent failed to submit a full set of fingerprints as required by Arizona law, and because Respondent failed to provide complete information with her license application as required under Arizona law. [Order issued September 24, 2009.]		

LICENSEE	ADDRESS	PENALTY
Patricia Lareina Ortiz (Agent)	208A Clear Lake Road Highlands, TX 77562	License Revoked
Respondent failed to report to the Department within 30 days that she was criminally prosecuted; failed to notify the Department within 30 days that the Idaho Department of Insurance revoked Respondent's insurance license; and failed to notify the Department of an address change within 30 days. [Order issued October 23, 2009.]		

LICENSEE	ADDRESS	PENALTY
Raymond Thomas Palombo (Agent)	11731 Sterling Avenue Riverside, CA 92503	\$2,500 fine
Respondent engaged in the unlawful and unauthorized business of insurance in Nebraska, Florida, North Carolina and Texas, and failed to notify the Department of an Indiana Department of Insurance administrative action within thirty days of the final disposition of the matter. [Order issued September 23, 2009.]		

LICENSEE	ADDRESS	PENALTY
Wayne Robert Wielgos (Life Broker)	1309 Monmouth Drive Westfield, IN 46074	License Revoked
Respondent failed to notify the Department within 30 days of the final disposition of the matter that he was fined by The Alabama Department of Insurance and the Delaware Department of Insurance, and that his insurance license was revoked by the South Dakota Department of Revenue and Regulation, Division of Insurance. Respondent also failed to notify the Department within 30 days that he changed his business address, and failed to respond to Departmental investigatory letters. [Order issued September 10, 2009.]		

AGENT AND BROKER STIPULATIONS

Region: Albany

LICENSEE	ADDRESS	PENALTY
Michael A. Attanasio (Agent and Broker)	40 Hearthstone Drive Gansevoort, NY 12831	\$750 fine
Respondent acted as an insurance broker in the State of New York without a license to act as an insurance broker. [Stipulation approved October 5, 2009.]		

LICENSEE	ADDRESS	PENALTY
James G. McLagan (Agent)	11 Lakeridge Drive Mechanicville, NY 12118	License Revoked
Respondent was convicted of a felony and a misdemeanor. [Stipulation approved October 7, 2009.]		

Region: Buffalo

LICENSEE	ADDRESS	PENALTY
Adrienne J. Rothstein-Grace (Agent)	111 Dale Drive Tonawanda, NY 14150	\$750 fine
Respondent violated Section 2123 of the Insurance Law and Department Regulation 60 (11 NYCRR 51) in connection with the placement of an annuity contract that involved replacement within the meaning of Department Regulation 60 in that Respondent failed to perform any of the duties required of an agent in replacement situations. [Stipulation approved October 7, 2009]		

Region: Nassau County

LICENSEE	ADDRESS	PENALTY
Pierre L. DeRose (Agent and Broker)	1033 Front Street Uniondale, NY 11533	\$1,250 fine
Respondent issued an insurance premium payment transmittal check and a check transmitting a payment to a premium finance company that were dishonored by the bank upon which they were drawn. Respondent also commingled insurance premium fiduciary funds with personal and/or business operating expense funds, and used an unapproved name in conducting business as an insurance producer. [Stipulation approved October 1, 2009.]		

LICENSEE	ADDRESS	PENALTY
Motorcycle Services LLC (Agent and Broker)	6800 Jericho Turnpike Syosset, NY 11791	\$3,000 fine
Michael I. Mandell (Agent and Sublicensee)	Same as Above	
Respondents collected insurance premiums and other funds from four insureds on behalf of an unlicensed entity doing insurance business in the State of New York, and otherwise aided and facilitated the aforesaid entity in doing an insurance business in this State. Stipulation approved October 23, 2009.]		

LICENSEE	ADDRESS	PENALTY
New York Adjustment Bureau Inc. (Public Adjuster)	66-19 Woodhaven Blvd Rego Park, NY 11374	\$500 fine
Respondent failed to supervise one of its employees who took an acknowledgement of an insurance related document without having sufficient knowledge of the identity of the person making the acknowledgement. [Stipulation approved October 14, 2009.]		

LICENSEE	ADDRESS	PENALTY
Alyssa R. Vanslyke (Agent)	88 West Main Street Bay Shore, NY 11706	\$1,000 fine
Respondent submitted applications for automobile and homeowner's insurance to an insurance Company that applied company discounts to an insured who did not qualify for such discounts in order to obtain more favorable quotes for the insured. As a result of the foregoing, Respondent was terminated for cause by the insurance company. [Stipulation approved October 30, 2009.]		

Region: New York City

LICENSEE	ADDRESS	PENALTY
Asset Indemnity Brokerage Corporation (Broker and Excess Line Broker)	111 John Street New York, NY 10038	\$18,000 fine
Paul Kushner (Broker and Sublicensee)	Same as above	
Respondents facilitated the issuance of surety bonds by an unlicensed entity doing insurance business in the State of New York and otherwise aided and facilitated an unlicensed entity in doing an insurance business in this State. [Stipulation approved October 27, 2009.]		

LICENSEE	ADDRESS	PENALTY
Elvira Castro t/b/a Elvira Castro General Insurance (Broker)	887 Hunts Point Ave Bronx, NY 10474	\$4,000 fine
Respondent issued premium payment transmittal checks that were dishonored by the bank upon which they were drawn, and in issuing the checks and causing or permitting them to become dishonored, violated prior stipulations with the Department. [Stipulation approved October 6, 2009.]		

LICENSEE	ADDRESS	PENALTY
Antonio H. Cook (Agent)	c/o Q & A Services 672 Grand Street Brooklyn, NY 11211	\$5,000 Fine
<p>While he was approved as a New York State Point and Insurance Reduction Program (“PIRP”) course instructor by the Department of Motor Vehicles, Respondent, among other things, conducted a PIRP course that contained 90 minutes of instruction, substantially less than the 320 minutes required, and provided a PIRP course completion certificate to a person who had not completed the course, for which conduct the DMV revoked Respondent’s status as a PIRP course instructor. Respondent also issued PIRP course completion certificates to 5 additional motorists for course(s) that Respondent conducted in less than the minimum number of minutes required by the DMV. [Stipulation approved September 3, 2009.]</p>		

LICENSEE	ADDRESS	PENALTY
Jean R. Dorlette (Broker)	2460 Bedford Avenue Brooklyn, NY 11226	\$2,000 fine
<p>Respondent commingled premium funds, operating expense funds and personal funds in his premium account, transacted insurance business under unlicensed names, failed to appropriately identify as a fiduciary account a bank account in which Respondent deposited premium funds, and hampered and impeded the Department’s investigation of the aforementioned matters by failing to timely respond to Departmental investigatory letters requesting information and documentation. [Stipulation approved September 25, 2009.]</p>		

LICENSEE	ADDRESS	PENALTY
Levin & Associates Brokerage Inc. (Broker)	29-24 Hoyt Avenue South Astoria, NY 11102	Licenses Revoked
Oscar Katz Agency Inc. (Broker)	Same as Above	
Julie A. Levin (Broker and Sublicensee)	Same as Above	
<p>Respondents collected insurance premium payments on behalf of various insureds and failed to remit or otherwise properly account for said insurance premiums; issued premium payment transmittal checks that were dishonored by the bank upon which they were drawn; commingled premium funds, operating expense funds and personal funds in their premium account; and allowed unlicensed individuals to transact insurance business on their behalf. [Stipulation approved September 16, 2009.]</p>		

Region: Suffolk

LICENSEE	ADDRESS	PENALTY
Brian Gordon (Agent and Sublicensee)	640 Johnson Avenue Bohemia, NY 11716	\$750 fine
<p>Respondent failed to disclose that Legend Equities Corporation, of which he is an officer, was a Respondent in an arbitration proceeding under the jurisdiction of the Financial Industry Regulation Authority ("FINRA"). [Stipulation approved October 2, 2009.]</p>		

LICENSEE	ADDRESS	PENALTY
Legend Equities Corporation (Agent)	640 Johnson Avenue Bohemia, NY 11716	\$7,100 fine
Glenn Thomas Ferris (Agent)	Same as Above	
<p>Respondents failed to disclose on their renewal applications for agents' licenses that Respondent Legend Equities Corporation, of which Respondent Glenn Thomas Ferris is officer, was a Respondent in an arbitration proceeding under the jurisdiction of the Financial Industry Regulation Authority ("FINRA"); Respondents transacted insurance business under an unlicensed name; in connection with the sale of four life insurance policies, Respondents provided unlawful inducements by paying for the insureds meals; and Respondents failed to notify the Superintendent of the location of eleven satellite offices. [Stipulation approved October 2, 2009.]</p>		

Region: Syracuse

LICENSEE	ADDRESS	PENALTY
David J. Dempsey (Agent and Broker)	983 State Route 34B King Ferry, NY 13081	\$500 fine
Respondent failed to supervise his staff in that they accepted payments from or on behalf of a motor vehicle repairer for referring motor vehicle repair business to such repairer. [Stipulation approved October 16, 2009.]		

LICENSEE	ADDRESS	PENALTY
Victor A. Di Serio (Agent, Broker and Excess Line Broker – License Pending)	5192 Forestedge Drive Syracuse, NY 13215	\$500 fine
Respondent failed to disclose on his original application for his excess line broker's license that Haylor, Freyer & Coon, Inc., of which he is an officer, was fined by the Department for misrepresenting that there was insurance coverage on policies that were either never issued or had been canceled. [Stipulation approved October 22, 2009.]		

LICENSEE	ADDRESS	PENALTY
Senior Advisory Insurance Services LLC (Agent)	5901 Miralago Lane Brewerton, NY 13029	\$2,000 fine
John J. Kulakowski (Agent and Sublicensee)	Same as above	
Respondent John J. Kulakowski falsified applications for Medicare Advantage Plans by representing on the phone that he was the applicant. [Stipulation approved October 15, 2009.]		

Region: Out of State

LICENSEE	ADDRESS	PENALTY
Elgin B. Allen (Agent, Broker and Excess Line Broker)	8144 Walnut Hill Lane Dallas, TX 75231	\$15,500 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 an insurer not authorized to do insurance business in this State, and otherwise aided and facilitated the insurer in doing an insurance business in this State. [Stipulation approved October 7, 2009.]		

LICENSEE	ADDRESS	PENALTY
Robert Wilson Allen (Agent)	c/o Willis of Florida 3000 Bayport Drive Tampa, FL 33607	\$750 fine
Respondent failed to report to the Superintendent within thirty days of the final disposition of the matter that his application for a non-resident license was denied by the State of New Hampshire Insurance Department. [Stipulation approved October 2, 2009.]		

LICENSEE	ADDRESS	PENALTY
Angel Beltran (Agent and Broker)	10438 Bloomfield Hills Drive Seffner, FL 33584	\$750 fine
Respondent failed to disclose on his original application for a broker's license that the application of a limited liability company of which Respondent is President and Director, for a South Dakota non-resident business entity insurance producer license, was denied by the South Dakota Division of Insurance. [Stipulation approved November 2, 2009.]		

LICENSEE	ADDRESS	PENALTY
Jason P. Bourgo (Agent)	707 Sable Oaks Drive South Portland, ME 04106	\$500 fine
Respondent failed to report to the Superintendent within thirty days that he was convicted of misdemeanors. [Stipulation approved October 8, 2009.]		

LICENSEE	ADDRESS	PENALTY
East Coast Underwriters LLC (Agent)	PO Box 2468 Spartanburg, SC 29304	\$1,000 fine
Aaron R. Wilkie (Agent and Sublicensee)	Same as Above	
Respondents failed to report to the Superintendent within thirty days of the final disposition of the matter that Respondent East Coast Underwriters LLC was fined by the Florida Department of Financial Services and the Utah Insurance Department. [Stipulation approved October 5, 2009.]		

LICENSEE	ADDRESS	PENALTY
FMG of CT (Agent)	557 Oenoke Ridge Road New Canaan, CT 06840	\$2,750 fine
James G. Kaiser (Agent and Sublicensee)	Same as above	
Respondents failed to disclose administrative actions in other States on two applications for licensure. Respondent James G. Kaiser failed to disclose administrative actions in other States on a relicensing application, and failed to report to the Superintendent within thirty days of the final disposition of the matter an administrative action by the State of Wisconsin. [Stipulation approved November 12, 2009.]		

LICENSEE	ADDRESS	PENALTY
JC Stevens Inc. (Agent-License Pending, Broker- License Pending and Excess Line Broker- License Pending)	800 East Main Street Lansdale, PA 19446	\$15,000 fine
Ronald J. Wasson (Proposed Sublicensee)	Same as Above	
Heather M. Frain (Broker)	Same as Above	
Respondents transacted insurance business under unlicensed names and conducted insurance business as an agent and a broker without a license. Respondents Ronald J. Wasson and Heather M. Frain failed to disclose on their original and relicensing applications that Respondent JC Stevens Inc.'s insurance license was revoked by the State of Maine. [Stipulation approved October 13, 2009.]		

LICENSEE	ADDRESS	PENALTY
Danette Elise Morgan (Agent)	5916 Willow Road Dallas, TX 75252	License Revoked
Respondent issued Certificates of Liability Insurance which falsely stated that certain New York State businesses had workers compensation insurance policies through American International Group, Inc. (AIG), when in fact no such policies had been issued; and at the times Respondent issued the aforementioned Certificates, Respondent had not been appointed as a producer for AIG, had not placed workers compensation policies on behalf of AIG, and had not collected premiums on behalf of AIG. [Stipulation approved October 20, 2009.]		

LICENSEE	ADDRESS	PENALTY
Novologix Inc. f/k/a Ancillary Care Management Inc. (Independent Adjuster)	10400 Viking Drive Eden Prairie, MN 55344	\$750 fine
Thomas J. McNulty Jr. (Sublicensee)	Same as Above	
Respondents failed to report to the Superintendent within thirty days of the final disposition of the matter that Respondent Novologix Inc. f/k/a Ancillary Care Management Inc. was fined by the Kentucky Department of Insurance. [Stipulation approved July 15, 2009.]		

LICENSEE	ADDRESS	PENALTY
Specialty Risk Services LLC (Adjuster)	690 Asylum Avenue Hartford, CT 06115	\$1,000 fine
Karen L. Sutton (Adjuster and Sublicensee)	Same as above	
Respondents failed to notify the Department within thirty days that they were fined by the State of Alaska Department of Commerce Community and Economic Development Division of Insurance, and by failing to notify the Department as aforesaid, Respondents violated a prior Stipulation they entered into with the Department. [Stipulation approved October 8, 2009.]		

LICENSEE	ADDRESS	PENALTY
Paul R. Whitlow (Agent)	PO Box 445 Clinton, MO 64735	\$1,250 fine
Respondent failed to report to the Superintendent within 30 days of the final disposition of the matter that he was fined by the North Carolina Department of Insurance and the Missouri Department of Insurance, Financial Institutions and Professional Regulation. Respondent also failed to timely submit to the Department information and documentation that was requested in Departmental investigatory letters. [Stipulation approved October 6, 2009.]		

LICENSEE	ADDRESS	PENALTY
Michelle Marie Young (Agent)	8761 East Loop Road Hesperia, MI 49421	\$500 fine
Respondent failed to report to the Superintendent within 30 days of the final disposition of the matter that Respondent's Georgia nonresident license was issued on a probationary status by the Georgia Department of Insurance. [Stipulation approved November 2, 2009.]		

###