

# New York State Department of Financial Services

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**ISSUED: May 6, 2022**

## **NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES TAKES DISCIPLINARY ACTIONS AGAINST LICENSEES OR REGISTRANTS UNDER THE INSURANCE LAW**

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

### **AGENT/BROKER HEARINGS**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Daniel John Gallagher (Agent)	12 Paris Avenue Hudson Falls, NY 12839	License Revoked
Respondent failed to report to the Superintendent within thirty days of the final disposition of the matter that he had been found guilty of professional misconduct by the Supreme Court, Appellate Division, Third Department and that he was disbarred from the practice of law in New York State; failed to disclose a prior administrative action in his original application for an agent's license; failed to pay personal state income tax due to the New York State Department of Taxation and Finance and had an arrearage in taxes due to New York State; and failed to notify the Department of an address change within thirty days as required. [Order issued November 19, 2021.]		

**COMPANY CONSENT ORDERS**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Delta Dental Insurance Company	One Delta Drive Mechanicsburg, PA 17055	\$1,000,000 fine  Respondent has already taken the following corrective actions: Respondent has cooperated with the Department's request by ceasing to offer the unapproved policy forms to new insureds in New York and rolling existing insureds off at their renewal dates.
<p>Respondent, for the time period encompassing 2012-2020 for which Respondent was able to provide data, violated Insurance Law § 3201(b) by failing to file and obtain the Superintendent's approval of insurance certificate policy forms and premium rates for 55,217 certificates covering 9,379 New York resident members of a Mississippi association group. Respondent's actions failed to afford insureds the consumer protections offered by New York regulated dental insurance. [Consent Order approved April 7, 2022.]</p>		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Dentcare Delivery Systems, Inc.	333 Earle Ovington Blvd Suite 300 Uniondale, NY 11553	\$150,000 fine
<p>Based on the information provided by Dentcare for the January 1, 2011 through December 31, 2015 (the "Period"), the Department determined that for 11,250 instances, Dentcare issued contracts to its members prior to receipt of approval from the Department, thereby violating New York Insurance Law §4308(a); Based on the Department's review of a sample of explanation of benefits statements, the Department determined that Dentcare's explanation of benefits statements failed to contain the necessary nonforfeiture language required under New York Insurance Law §3234(b)(7); Based on information provided in Dentcare's network adequacy filings, Dentcare failed to maintain an adequate number of specialists and/or ancillary providers to members in three (3) counties in violation of New York Insurance Law §3241(a); Dentcare failed to update its Fraud Prevention Plan to reflect correct staffing levels of its Special Investigations Unit ("SIU"), and failed to maintain an updated Fraud Prevention Plan, which contained names of personnel no longer employed in Dentcare's SIU, violating New York Insurance Law §409(b)(1); Based on the Department's examination, Dentcare failed to respond to complaints within the required timeframe in contravention of Part 216.4 of Insurance Regulation No. 64 (11 NYCRR 216.4); Dentcare failed to comply with provisions under Part 243.2(b) of Insurance Regulation No. 152 (11</p>		

NYCRR 243.2(b)) when it was unable to provide copies of certain enrollment applications completed by subscribers, applications initiating coverage, and copies of sold policies; and in connection with the Department’s examination, Dentcare failed to provide requested documents in a timely manner, in violation of New York Insurance Law §310(a)(3). [Consent Order approved February 14, 2022.]

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Erie Insurance Company	100 Erie Insurance Place Erie, PA 16530	\$561,900 fine
Erie Insurance Company of New York	Same as above	
<p>Respondents, for the time period April 2014 to March 2015; failed to send notices of cancellation to the mortgage holders/lienholders upon the cancellation of the insureds' policies, as per the policy provisions; improperly issued notices of cancellation that were not based on lawfully permitted reasons or conditions; failed to maintain proof of mailing of the notice of cancellation to the named insured; failed to forward to applicants the prescribed application for motor vehicle no-fault benefits within 5 days after receipt of notice of claim at the proper claim processing office; failed to send follow-up verification requests where original is not returned within 30 calendar days and; failed to pay or deny claims within 30 calendar days after receipt of proof of claim including all relevant verification requests. Respondents, for the time period 2010 to 2015, failed to properly calculate payments for loss of earnings from work; failed to send an explanation of benefit as required; failed to provide the insured a written explanation for delay of claim settlement for claim elements unresolved more than thirty days; failed to timely advise affected insureds of the right to be reimbursed for transportation expenses in the event of the theft of the entire vehicle; failed to notify its insureds in writing of the status of a physical damage claim that is subject to a deductible and a subrogation claim, within 120 days after the date of the claim payment; failed to report first and third-party property damage losses exceeding \$2,500 to the designated central organization and the National Insurance Crime Bureau as appropriate in the time allotted; failed to send claimant a written acknowledgement of the claim within 15 business days of receipt of notice of claim; and failed to maintain a policy record for each insurance contract or policy for 6 years from the date the policy is no longer in force, or until after the filing of a report on examination, whichever is longer. [Consent Order approved November 9, 2021.]</p>		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Preferred Mutual Insurance Company	One Preferred Way New Berlin, NY 13411	\$103,900 fine
<p>Respondent, for the time period January 2015 to June 2016, failed to advise appropriate applicants in a denial of claim that late notice will be excused where the applicant can provide reasonable justification of the failure to give timely notice; failed to mail verification forms within 10 business days after receipt of No- Fault application; failed to properly inform applicants of reimbursement for any loss of earnings and reasonable transportation expenses incurred in complying with insurer requested examinations under oath and medical examinations; failed to produce objective standards required for the administration of examinations under oath; failed to pay or deny claims within 30 calendar days after receipt of proof of claim including all relevant verification requests; failed to exclude interest and attorneys' fees on account of overdue claims from insurer's rate making calculations; failed to properly calculate payments for loss of earnings from work; failed to reduce the amount paid under a qualified wage continuation plan that provided benefits less than the applicant's salary by the amount required to be paid in satisfaction of the New York State Disability Law; failed to timely advise affected insureds of the right to be reimbursed for transportation expenses in the event of the theft of the entire vehicle; failed to timely report total theft losses to the designated central organization; and failed to report third-party property damage losses exceeding \$2,500 to the designated central organization and the National Insurance Crime Bureau as appropriate in the time allotted. By reason of the foregoing, Respondent violated various subdivisions of Regulations 64 and 68. [Consent Order approved November 9, 2021.]</p>		

### STIPULATIONS/CONSENT ORDERS

**Region: Jamestown**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Kristie M. Breda (Agent)	211 N 18th St Olean, NY 14760	\$12,500 fine
<p>Respondent's producer appointment was terminated for cause by an insurer for, among other things, entering falsified driver's license numbers during the automobile insurance quoting process, and entering inaccurate information on automobile insurance applications relating to the amount of time that the customer was covered by prior insurance, the purchase date of the vehicle and the homeownership status of the customer. Additionally, Respondent failed to supervise three employees whose appointments were terminated for cause by the aforementioned insurer. [Stipulation approved March 10, 2022.]</p>		

**Region: Mid-Hudson**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Steven Malizia (Agent)	23 Hilltop Drive Wappingers Falls, NY 12590	\$5,200 fine
Respondent's appointments were terminated for cause by an insurer for, among other things, inappropriately adding to automobile insurance quotes drivers who were not exposures on the vehicles. [Stipulation approved March 23, 2022.]		

**Region: New York**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Omar Gonzalez (Agent)	735 Walton Ave Bronx, NY 10451	\$2,000 fine
Respondent's appointment was terminated for cause by Healthfirst Health Plan, Inc. for, among other things, enrolling a member into a plan without the member's consent. Additionally, Respondent failed to timely respond to Departmental investigatory letters, and thereby hampered and impeded the Department's investigation. [Stipulation approved March 10, 2022.]		

**Region: Rockland**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
David L. Janpol (Agent)	1303 Round Pointe Drive Haverstraw, NY 10927	\$13,500 fine
Respondent's appointments were terminated for caused by an insurer for inappropriately adding to automobile insurance quotes drivers who were not exposures on the vehicles, and for entering on automobile insurance applications inaccurate information relating to the customers' prior insurance coverage. [Stipulation approved April 5, 2022.]		

**Region: Syracuse**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Thomas J. DiNapoli (Agent)	c/o Financial Partners of Upstate NY 308 Maltbie Street Syracuse, NY 13204	\$750 fine
Respondent failed to report to the Superintendent within 30 days of the initial pretrial hearing date that Respondent was the subject of a criminal prosecution. [Stipulation approved March 28, 2022.]		

**Region: Watertown**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Carter B. Young (Agent, Broker, and Life Broker)	402 Mill Street Theresa, NY 13691	Licenses Revoked
Respondent failed to submit to the Department information and documentation that was requested in Department letters, and thereby hampered and impeded the Department's investigation regarding the termination of Respondent's appointments by an insurer. [Stipulation approved March 15, 2022.]		

**Region: Out of State**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Kaymen Ai Lian Lim Pon (Agent)	341 Alba Lane Lake Mary, FL 32746	License Revoked
Respondent failed to submit to the Department information and documentation that was requested in Department letters, and thereby hampered and impeded the Department's investigation regarding Respondent's license application. Additionally, Respondent changed her business address and failed to notify the Department within 30 days of the change. [Stipulation approved March 17, 2022.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Rolland David Kille (Agent)	3507 Rannock Moor Williamsburg, VA 23188	\$750 fine
Respondent failed to disclose in his original application for an agent's license that he was the subject of an administrative action taken by the Virginia State Corporation Commission. [Stipulation approved March 22, 2022.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Renee Vasquez (Agent)	9535 W Fallen Leaf Lane Peoria, AZ 85383	\$750 fine
Respondent failed to disclose in her original application for an agent's license that she was convicted of a misdemeanor. [Stipulation approved March 28, 2022.]		