

New York State Insurance Department

ISSUED: 10/11/06

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 States Insurance Company	Safeco Plaza, T-18 Seattle, WA	\$50,900 fine
Respondent violated Section 5106 of the Insurance Law and Department Regulations 64, 68 and 79 (11 NYCRR Parts 216, 65 and 67 respectively) which require that: an insurer send a follow-up No-Fault application if the original application is not returned within 30 calendar days; an insurer send a follow-up verification form if the original is not returned within 30 calendar days; payment or denial of claim must be made within 30 calendar days of receipt of relevant information and proof of claims; all overdue PIP benefits shall bear interest at a rate of 2 percent per month, compounded and calculated on pro-rata basis using a 30 day month; an insurer may not include in its ratemaking calculations any interest paid or attorney fees paid on overdue claims; a detailed written estimate specifying all appropriate deductions be received by the insured or the designated representative; a certificate of repairs form be given to the insured during negotiations; the insured be notified of their reimbursement rights for transportation expenses; all total theft losses be reported to NICB immediately, but no later than 2 businesses days after notice of claim; insurers, within 15 days of receipt of notice of claim, send a written acknowledgement of payment to the claimant; upon verification of coverage, the insurer must acknowledge the claim and provide claimant with required information; all communications, transactions, notes and work papers relating to the claim be maintained within the insurer's claim; and that an inspection report be made part of the claim file. [Stipulation approved October 4, 2004.]		

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LICENSEE	ADDRESS	PENALTY
Hanover Insurance Company	440 Lincoln Street Worcester, MA	\$3,000 fine
Respondent violated Section 3425 of the Insurance Law by exceeding the maximum number of Private Passenger automobile non-renewals permitted for calendar year 2002. [Stipulation approved September 8, 2004.]		

LICENSEE	ADDRESS	PENALTY
Harleysville Worcester Insurance Company	355 Maple Avenue Harleysville, PA	\$1,250 fine
Respondent violated the Section 3425 of the Insurance Law by exceeding the maximum number of Private Passenger automobile non-renewals permitted for calendar year 2002. [Stipulation approved September 8, 2004.]		

LICENSEE	ADDRESS	PENALTY
Massachusetts Bay Insurance Company	440 Lincoln Street Worcester, MA	\$3,000 fine
Respondent violated Section 3425 of the Insurance Law by exceeding the maximum number of Private Passenger automobile non-renewals permitted for calendar year 2002. [Stipulation approved September 8, 2004.]		

LICENSEE	ADDRESS	PENALTY
MONY Life Insurance Company	1290 Avenue of the Americas New York, NY 10104	\$200,000 fine
Respondent violated the Insurance Law and/or Department Regulations by failing to maintain records with sufficient detail to show fully the actual bases of allocation to annual statement lines of business and to companies in its holding company system; accepting applications from agents who failed to wait the mandatory time period for receipt of the information, from the insurer whose policy or contract was being replaced, necessary to complete the Disclosure Statement; accepting applications from agents who had not presented to the applicant one or both of the required replacement forms not later than at the time the applicant signed the application; failing to reject the application when required forms were not received within ten days of the date of receipt of the application; crediting additional amounts of interest on annuity contracts without written criteria approved by the board of directors or a committee thereof; crediting additional amounts of interest on life insurance products without written criteria approved by the board of directors or a committee thereof; continuing to pay stock options to its agents without the approval of the Superintendent; and paying compensation to its agents under plans that were not filed with the Department. [Stipulation Approved October 21, 2004]		

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LICENSEE	ADDRESS	PENALTY
National Grange Mutual Insurance Company	55 West Street Keene, NH	\$4,000 fine
Respondent violated Section 3425 of the Insurance Law by exceeding the maximum number of Private Passenger automobile non-renewals permitted for calendar year 2002. [Stipulation approved October 22, 2004]		

LICENSEE	ADDRESS	PENALTY
Safeco Insurance Company of America	Safeco Plaza, T-18 Seattle, WA	\$27,550 fine
Respondent violated Section 5106 of the Insurance Law and Department Regulations 64 and 68 (11 NYCRR Parts 216 and 65 respectively) which require that: an insurer send a follow-up no-fault application if the original application is not returned within 30 calendar days; an insurer send a follow-up verification form if the original is not returned within 30 calendar days; payment or denial of claim must be made within 30 calendar days of receipt of relevant information and proof of claims; all overdue PIP benefits shall bear interest at a rate of 2 percent per month, compounded and calculated on pro-rata basis using a 30 day month; an insurer may not include in its ratemaking calculations any interest paid or attorney fees paid on overdue claims; a detailed written estimate specifying all appropriate deductions be received by the insured or the designated representative; a certificate of repairs form be given to the insured during negotiations; and that an inspection report be made part of the claim file. [Stipulation approved October 4, 2004.]		

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AGENT AND BROKER HEARINGS

Region: Mid-Hudson

LICENSEE	ADDRESS	PENALTY
Joseph N. Leggio Agency, Inc. (Agent and Broker)	305 Main Street, PO Box 284 Catskill, NY	Licenses revoked
David C. Leggio (Sublicensee)	Same as above	
Respondents issued premium payment checks which were dishonored by the bank upon which they were drawn. In addition, the New York Automobile Insurance Plan decertified Respondents as a producer for one year. [Order issued August 20, 2004.]		

Region: New York City

LICENSEE	ADDRESS	PENALTY
Neil G. Patchen, (Agent) a/k/a Nochum G. Kaplan	596 Union Road New Hempstead, NY	\$3,000.00 fine
Respondent failed to disclose his criminal convictions on two licensing applications. [Order issued June 29, 2004.]		

Region: Rochester

LICENSEE	ADDRESS	PENALTY
Sean P. Fogarty (Agent)	c/o Fogarty Agency 180 S. West Street Geneva, NY	\$1,800.00 fine
Respondent failed to timely submit a client's automobile insurance application and premium monies to the insurer, and issued premium payment checks and electronic debits that were dishonored by the bank upon which they were drawn. Respondent transacted insurance business in an unlicensed name and failed to respond to a Departmental investigatory letter directing that he appear at the Department's offices. [Order issued August 20, 2004.]		

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Region: Suffolk

LICENSEE	ADDRESS	PENALTY
Descap Financial Services, Inc. (Agent)	c/o Michael Cammarota Descap Financial Services Inc. 325 Wireless Road Hauppauge, NY	Licenses revoked
Michael Cammarota (Agent and Sublicensee)	c/o Mutual of New York 1 Huntington Quad Melville, NY	
Respondent Michael Cammarota was convicted of Grand Larceny in the 2 nd Degree and Scheme to Defraud in the 1st degree, both of which are felonies. Respondent solicited monies from over 50 clients to invest in annuities contracts for their retirement and converted such monies for his personal use without their knowledge or consent. Respondent Michael Cammarota used the corporate Respondent, Descap Financial Services, Inc. as part of his criminal scheme. [Order issued November 1, 2004.]		

Region: Out of State

LICENSEE	ADDRESS	PENALTY
Scott T. Horton (Agent)	c/o GEICO Direct One Geico Blvd. Fredericksburg, VA	License revoked
Respondent failed to cooperate with the Department in its investigation of the denial of Respondent's application for an insurance license in Idaho. [Order issued August 19, 2004.]		

AGENT AND BROKER STIPULATIONS**Region: Albany**

LICENSEE	ADDRESS	PENALTY
Gary P. DiCresce (Agent)	c/o Gary P DiCresce & Associates 2911 Route 9 & 1-87 Exit 135 Ballston, NY 12020	\$500 fine
Respondent failed to disclose on his agent's renewal application that he had been placed on probation by the State of Georgia Insurance Department for receiving commissions in South Carolina without having a license to sell insurance in South Carolina. [Stipulation approved September 30, 2004.]		

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LICENSEE	ADDRESS	PENALTY
Michael S. Falzo (Independent Adjuster)	1214 Hillside Drive Watervliet, NY	\$500 fine
Respondent failed to disclose on his original adjuster's application that he had been arraigned for Grand Larceny and issuing a bad check with knowledge that there were insufficient funds. [Stipulation approved October 6, 2004.]		

Region: Binghamton

LICENSEE	ADDRESS	PENALTY
John M. Chantiz, Jr. (Agent)	c/o AIG Marketing Inc. 4700 Vestal Parkway East Vestal, NY	\$500 fine
Respondent failed to disclose on his original application for his insurance agent's license that the California State Insurance Department denied his application for an insurance agent's license. [Stipulation approved September 14, 2004.]		

Region: Buffalo

Sandra D. White (Agent and Broker)	2 Thomas Avenue Batavia, NY	\$500 fine
Respondent failed to disclose on her agent's renewal application that she had been adjudged a bankrupt. [Stipulation approved September 27, 2004.]		

Region: Nassau

LICENSEE	ADDRESS	PENALTY
John J. Murphy (Insurance Adjuster)	c/o Progressive Ins. Co. 444 Merrick Road Lynbrook, NY	\$500 fine
Respondent failed to disclose on his insurance adjuster's application that he was convicted of driving while intoxicated, a misdemeanor. [Stipulation approved November 10, 2004.]		

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Region: New York City

LICENSEE	ADDRESS	PENALTY
Glenn M. Fox Insurance Agency, Ltd. (Broker)	5022 New Utrecht Avenue Brooklyn, NY	\$2,500 fine
Glenn M. Fox (Sublicensee and Broker)	12 Colony Drive Marlboro, NJ	
Respondents engaged in conduct which resulted in the revocation of their New York Automobile Insurance Plan certification for a period of 90 days. [Stipulation approved September 20, 2004.]		

LICENSEE	ADDRESS	PENALTY
Marsh USA, Inc. (Broker, Excess Line Broker, Agent)	c/o Catherine McGarrell 1166 Avenue of the Americas 22 nd Floor New York, NY	\$26,300 fine
Respondents violated Section 2118 of the Insurance Law and Department Regulation 41 by procuring policies providing excess line insurance coverage for which Respondent filed late affidavits with the Excess Line Association of New York and failed to pay excess line premium taxes. Respondent also filed inaccurate excess line premium tax statements. [Stipulation approved November 8, 2004.]		

Region: Rochester

LICENSEE	ADDRESS	PENALTY
Michael J. Scotney (Agent)	187 Tait Avenue Rochester, NY 14616	\$500 fine
Respondent failed to disclose on his original agent's application that he had been adjudged a bankrupt. [Stipulation approved October 4, 2004.]		

Region: Suffolk

LICENSEE	ADDRESS	PENALTY
Commercial Business Insurance Brokerage Corp. (Broker)	95 Broadway Hicksville, NY	\$500 fine
Nadia Nasarulla (Agent, Broker and Sublicensee)	9 Lindsay Street Huntington, NY	
Respondents issued insurance premium payment checks that were dishonored by the bank upon which drawn. [Stipulation approved October 6, 2004.]		

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Region: Syracuse

LICENSEE	ADDRESS	PENALTY
William R. Dixon (Broker)	20 Church Street PO Box 5670 Cortland, NY	\$1,000 fine
Respondent failed to disclose on his license renewal application that he was disciplined by the California Insurance Department; Georgia State Insurance Department and the West Virginia State Insurance Department. [Stipulation approved October 15, 2004.]		

Region: Westchester

LICENSEE	ADDRESS	PENALTY
Irma Rodriguez (Agent and Broker)	421 Pinebrook Blvd. New Rochelle, NY	\$500 fine
Respondent issued insurance premium checks which were dishonored by the bank upon which they were drawn. All checks were subsequently replaced. [Stipulation approved September 27, 2004.]		

Region: Out of State

LICENSEE	ADDRESS	PENALTY
Jeffrey D. Brunken (Broker and Excess Line Broker)	5340B South Cottonwood Lane Salt Lake City, UT	\$500 fine
Respondent failed to disclose on two licensing applications that the Insurance Commissioner of the State of Oklahoma suspended his surplus lines broker license and fined him in the amount of \$200. [Stipulation approved November 8, 2004.]		

LICENSEE	ADDRESS	PENALTY
Adam H. Healy (Broker)	81-D Crystal Park Road Manitou Springs, CO	\$1,000 fine
Respondent failed to disclose on his renewal agent's application that he was denied a insurance license by the State of North Carolina for failure to pay taxes and for filing bankruptcy. [Stipulation approved September 30, 2004.]		

LICENSEE	ADDRESS	PENALTY
Sandra D. Johnson (Agent)	c/o The Hartford 200 Executive Blvd. Southington, CT	License revoked
Respondent failed to disclose on her original agent's application that she was convicted of false representation, a misdemeanor. [Stipulation approved August 31, 2004.]		

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LICENSEE	ADDRESS	PENALTY
Caren Faith Kulkin (Agent - Pending)	c/o WS Insurance Services LLC 3399 PGA Blvd. – Ste. 400 Palm Beach Gardens, FL	\$1,000 fine
Respondent failed to disclose on a licensing application that she was convicted of driving under the influence and was the subject of an NASD Dispute Resolution arbitration proceeding which alleged that Respondent made unsuitable recommendations in connection with the purchase of securities. [Stipulation approved October 6, 2004.]		

LICENSEE	ADDRESS	PENALTY
Salvatore Robert Lubrano (Agent)	c/o Electric Insurance Company 75 Sam Fonzo Drive Beverly, MA	\$1,000.00 fine
Respondent failed to disclose on a licensing application that he was convicted of assault and battery with a dangerous weapon. [Stipulation approved October 12, 2004.]		

LICENSEE	ADDRESS	PENALTY
Norman-Spencer McKernan, Inc. (Broker, Agent) (Excess Line Broker – Pending) and Geoffrey T. McKernan (Sublicensee)	1000 River Road, Ste. 200 Conshohocken, PA Same as above	\$500.00 fine
Respondents failed to disclose on a licensing application for Norman-Spencer McKernan Inc. that Norman-Spencer McKernan Inc. was fined by the Commonwealth of Virginia, State Corporation Commission. [Stipulation approved September 30, 2004.]		

LICENSEE	ADDRESS	PENALTY
Timothy W. Turner (Agent)	c/o CRC Ins. Services, Inc. 105 W. Adams St., 18 th Fl Chicago, IL	\$500.00 fine
Respondent failed to disclose on a licensing application that all of his licenses to do insurance business were placed under five year's supervision by the Commonwealth of Pennsylvania, Insurance Department. [Stipulation approved September 20, 2004.]		