

New York State Insurance Department

ISSUED: 06/1/07

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
Aviva Life Insurance Company of New York	Batterymarch Park Bldg III 3 Pine Hills Drive Quincy, MA 02169-7472	\$950,000 fine
Respondent violated various provisions of the Insurance Law and Department Regulations, including the following: Department Regulation No. 60 [11 NYCRR 51.6] and Regulation No.152 [11 NYCRR 243.2], by failing in some instances to require, process and maintain complete, proper and accurate documentation with respect to the proposed sale and replacement of insurance policies and annuity contracts; Section 3209(b)(1) of the Insurance Law and Department Regulation No. 74 [11 NYCRR 53-2.1], by failing to provide prospective applicants with written preliminary information at or prior to the time an application is taken; Section 3211(b)(2) of the Insurance Law by disseminating premium notices that failed to contain required language pertaining to policy termination or lapse when the premium is not paid on or before the due date shown or within the specified grace period of the policy; Section 3211(g) of the Insurance Law and Department Regulation No. 74 [11 NYCRR 53-3.6(a)] by failing to provide annual reports or cash surrender value notices to policyholders. Respondent also violated various provisions of Department Regulation No. 34-A [11 NYCRR 219.4] by disseminating an illustration to New York policyholders that was misleading and by failing to disclose that issuance of the Company's "Easy Issue" products and the payment of benefits thereunder may depend upon the answers given in the application and the truthfulness thereof, and by failing to maintain a complete advertising file. Respondent also violated Section 4228(d) of the Insurance Law in connection with agent compensation. [Stipulation approved March 21, 2007.]		

AGENT AND BROKER STIPULATIONS

Region: Albany

LICENSEE	ADDRESS	PENALTY
Brian E. Bancroft (Agent)	2189 State Route 66 Ghent, NY 12075	\$1,500 fine
Respondent failed to disclose pending criminal matters, criminal charges, and outstanding warrants for his arrest on his application for his agent's license and subsequent license renewal applications. [Stipulation approved March 15, 2007.]		

LICENSEE	ADDRESS	PENALTY
Derek M. Bell (Agent)	15 Rafaillo Drive Latham, NY 12210	\$1,500 fine
Respondent failed to comply with Department Regulation 60 in connection with annuity replacement transactions. [Stipulation approved April 24, 2007.]		

Region: New York City

LICENSEE	ADDRESS	PENALTY
AAS Insurance Brokerage of New York, Inc. (Broker and Excess Line Broker)	770 Broadway New York, NY 10003	\$500 fine
Robert A. Stein, Jr. (Broker, Excess Line Broker, and Sublicensee)	Same as Above	
Respondents failed to obtain workers compensation insurance coverage on behalf of a client as requested, thereby causing a claim to be uninsured. [Stipulation approved March 26, 2007.]		

LICENSEE	ADDRESS	PENALTY
Cargo Marine Underwriters Agency Inc. (Broker)	JFK International Airport Building 80 Jamaica, NY 11430	\$2,500 fine
Franklin Ostroff (Broker and Sublicensee)	Same as Above	
Respondents violated Section 2116 of the Insurance Law by failing to verify the broker's license of an employee and paying broker commissions to said employee, who was not licensed by the Department in any capacity. [Stipulation approved April 4, 2007.]		

LICENSEE	ADDRESS	PENALTY
Ralph D. Casbarro (Agent)	61-04 218 th Street Bayside, NY 11364	License Revoked
Respondent was convicted of a felony, conspiracy to commit securities fraud in the United States District Court, Eastern District Court of New York. [Stipulation approved February 15, 2007.]		

LICENSEE	ADDRESS	PENALTY
Dur-America Brokerage Inc. (Agent and Broker)	34-11 Broadway Astoria, NY 11106	\$2,500 fine
George Douramanis (Agent, Broker and Sublicensee)	Same as above	
Respondents commingled premium funds and operating expense funds in their premium account and issued insurance premium transmittal checks when funds were not available. [Stipulation approved March 27, 2007.]		

LICENSEE	ADDRESS	PENALTY
Shmuel Karabelnikas (Broker)	8610 25 th Avenue Brooklyn, NY 11214	\$500 fine
Respondent failed to disclose on his application for his broker's license that he was previously fined by the Department. [Stipulation approved April 19, 2007.]		

LICENSEE	ADDRESS	PENALTY
Colin F. Kelley (Broker)	c/o Marsh USA Inc. 1166 Avenue of the Americas NY, NY 10036	License Revoked
Respondent failed to notify the Department within 30 days that he changed his business and residence addresses and failed to respond to Departmental investigatory letters. In addition, Respondent lives outside the United States in a territory which does not have a reciprocity agreement with New York and therefore does not qualify for a producer's license in this State. [Stipulation approved April 11, 2007.]		

LICENSEE	ADDRESS	PENALTY
Knightsbridge Surety Brokerage LLC (Agent)	111 John Street New York, NY 10038	\$1,500 fine
Matthew LJ Clarke (Broker and Sublicensee)	Same as Above	
Respondents failed to timely return insurance premiums for insurance coverage that was never placed and also failed to timely respond to Departmental investigatory letters. [Stipulation approved February 28, 2007.]		

LICENSEE	ADDRESS	PENALTY
Louis H. Saltzman (Agent)	1205 Northern Blvd. Manhasset, NY 11030	\$2,000 fine
Respondent misrepresented an insured's life insurance coverage by issuing on behalf of an insurer a memorandum and a letter on the insurer's letterhead stating that the insured's lapsed policy was reinstated by the insurer, when in fact the insurer never reinstated the policy. Respondent also failed to timely respond to Departmental investigatory letters. [Stipulation approved March 1, 2007.]		

Region: Suffolk

LICENSEE	ADDRESS	PENALTY
Fara Alcide (Adjusters License Application Pending)	10 Justin Circle Port Jefferson, NY 11776	\$500 fine
Respondent violated Section 2102(a)(1) of the Insurance Law by acting as an insurance adjuster in the State of New York without a license. [Stipulation approved March 29, 2007.]		

LICENSEE	ADDRESS	PENALTY
Anthony J. Di Bernardo (Agent)	6 Lisa Court Woodbury, NY 11797	\$1,500 fine
Respondent violated Section 2123 of the Insurance Law and Department Regulation 60 in connection with two life insurance transactions involving replacement of life insurance by submitting to an insurer applications for life insurance that did not answer the question asking whether the insurance applied for was intended to replace any existing life insurance and by failing to perform certain required duties of an agent with respect to replacement of life insurance policies. [Stipulation approved March 6, 2007.]		

Region: Syracuse

LICENSEE	ADDRESS	PENALTY
Edward Daniel Helinski (Agent and Broker)	7369 Owasco Road Auburn, NY 13021	License Revoked
Respondent, without authorization, signed the names of a physician and medical office manager on disability claims forms that were submitted to an insurer. [Stipulation approved April 12, 2007.]		

Region: Westchester

LICENSEE	ADDRESS	PENALTY
Kevin J. Lent (Agent)	28 Major Andre Drive Stony Point, NY 10980	License Revoked
Respondent was convicted in United States District Court, District of Connecticut of mail fraud, a felony. [Stipulation approved March 7, 2007.]		

LICENSEE	ADDRESS	PENALTY
Erika Russell (Agent)	385 Tarrytown Road White Plains, NY 10607	\$500 fine
Respondent backdated her own automobile insurance premium payment. [Stipulation approved March 5, 2007.]		

Region: Out of State

LICENSEE	ADDRESS	PENALTY
Jerrell G. Clay (Agent and Viatical Broker)	1600 Highway 6 Sugarland, TX 77478	\$1,000 fine
Respondent violated Section 2110(i) of the Insurance Law by failing to report to the Superintendent within 30 days of the final disposition of the matter that a corporation of which he is President and Chief Financial Officer was fined by the insurance regulatory authorities of the States of Texas, Delaware, and Kentucky. [Stipulation approved April 25, 2007.]		

LICENSEE	ADDRESS	PENALTY
John M. Ficklin (Agent)	c/o Progressive Casualty Insurance Company Allred Cotton Ctr Bldg#4 4425 Cotton Ctr Blvd Phoenix, AZ 85040	\$500 fine
Respondent failed to disclose on his original application for his agent's license that he was convicted in the State of Washington District Court, Whatcom County, of Assault, a misdemeanor. [Stipulation approved March 6, 2007.]		

LICENSEE	ADDRESS	PENALTY
John C. Fuhrman (Broker)	15 Enterprise Aliso Viejo, CA 93656	\$750 fine
Respondent failed to notify the Department within 30 days that he changed his business address and failed to respond to Department investigatory letters. [Stipulation approved April 10, 2007.]		

LICENSEE	ADDRESS	PENALTY
Gaston J. Gilbert (Agent)	2 Gateway Boulevard - Suite 240 East Granby, CT 06026	\$250 fine
Respondent conducted insurance business as an agent without a license. [Stipulation approved March 23, 2007.]		

LICENSEE	ADDRESS	PENALTY
Home Warranty of America Inc. (Service Contract Provider Registration Pending)	3200 Doolittle Drive Northbrook, IL 60065	\$2,500 fine
Respondent violated Section 7907(a) of the Insurance Law by acting as a service contract provider without first obtaining an approval of a registration to do so from the Superintendent. Respondent also became contractually obligated to provide service under service contracts without complying with one of the financial responsibility requirements set forth in Section 7903(c) of the Insurance Law and Department Regulation No. 155 [(11 NYCRR 390)]. [Stipulation approved March 30, 2007.]		

LICENSEE	ADDRESS	PENALTY
Graydon G. Kellogg Jr. (Broker)	309 East Morehead Street Charlotte, NC 28202	\$250 fine
Respondent failed to notify the Department within 30 days that he changed his business and residence addresses and failed to timely respond to Department investigatory letters. [Stipulation approved April 6, 2007.]		

LICENSEE	ADDRESS	PENALTY
Marathon Administrative Co. Inc. (Service Contract Provider Application Pending)	1722 Corporate Crossing O'Fallon, IL 62269	\$10,000 fine
Respondent acted as a service contract provider without first obtaining approval of a registration to do so pursuant to Article 79 of the Insurance Law. [Stipulation approved April 19, 2007.]		

LICENSEE	ADDRESS	PENALTY
Thomas B. McGowan III (Agent)	2700 Bruce Road Bay Village, OH 44140	\$250 fine
Respondent violated Section 2110(i) of the Insurance Law by failing to report to the Superintendent within 30 days of the final disposition of the matter that he was fined by the Commissioner of Insurance of the State of Texas. [Stipulation approved April 19, 2007.]		

LICENSEE	ADDRESS	PENALTY
Pep Boys- Manny, Moe, & Jack of Delaware, Inc. (Service Contract Provider Application Pending)	3111 West Alleghany Avenue Philadelphia, PA 19132	\$21,000 fine
Respondent acted as a service contract provider without first obtaining approval of a registration to do so pursuant to Article 79 of the Insurance Law. [Stipulation approved April 19, 2007.]		

LICENSEE	ADDRESS	PENALTY
Valerie Sue Westrum (Agent)	1807 South Main Sioux Falls, SD 57105	License Revoked
Respondent was terminated by her employer for failing to disclose prior criminal convictions on her employment application. Respondent also failed to disclose on her original application for her agent's license that she was convicted of Embezzling Bank Funds in the United States District Court District of Minneapolis and False Entries and Reports of Moneys in the United States District Court, District of South Dakota. [Stipulation approved April 10, 2007.]		

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