

# New York State Department of Financial Services

ISSUED: March 7, 2019

## 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.

### COMPANY CONSENT ORDERS

LICENSEE	ADDRESS	PENALTY
Mercury Casualty Company	1700 Greenbriar Lane Brea, CA 92821	\$31,000 fine  Respondent agrees to restore the market starting in calendar year 2019 for the excess non-renewals. The Company will be permitted to non-renew no more than one percent (1 %) of its in-force private passenger automobile book of business in the rating territories where it had excessive non-renewals until the market is restored to its position had there been appropriate compliance with New York Insurance Law Section 3425(f).
Respondent violated NYIL Section 3425(f). For the calendar year 2017, Respondent failed to comply with the two percent (2%) limitation for private passenger automobile non-renewals in the calendar year. [Consent order approved February 1, 2019.]		

**STIPULATIONS/CONSENT ORDERS**

**Region: Nassau**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Tibor Klein (Agent)	27 East Merrick Road Valley Stream, NY 11580	License Revoked
Respondent was convicted, in United States District Court, Eastern District of New York, of Conspiracy to Commit Securities Fraud, in violation of 18 U.S.C. Section 371. Respondent also failed to report to the Superintendent within thirty days of the initial pretrial hearing date that he was the subject of the aforementioned criminal prosecution. [Stipulation approved December 18, 2018.]		

**Region: New York**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Integro USA Inc. (Agent, Broker and Excess Line Broker)	1 State Street Plaza New York, NY 10004	\$8,000 fine
Anne Kelley Anderson (Broker, Excess Line Broker and Sublicensee)	Same as above	Respondents admit to committing the cited violations described and represent, and have demonstrated to the Department, that they have implemented the necessary actions to prevent recurrences of these violations, including discontinuing the procurement of policies for the insurance coverage mentioned above. Respondents will also take all necessary steps to comply with the Insurance Law and Regulations with respect to their brokerage activities in the future.
Respondents, for the time period from September 2011 through February 2017 procured, from an unauthorized insurer, policies providing accident and health insurance coverage. By reason of the foregoing, Respondents violated: a. Insurance Law Sections 2105 and 2117; and b. Section 27.11 of Insurance Regulation 41 [11 NYCRR 27]. [Consent Order approved February 1, 2019.]		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
<p>United Brokerage Services International Inc. (Agent, Broker and Excess Line Broker)</p> <p>Donald J. Franchilli (Agent, Broker and Sublicensee)</p>	<p>25 Broadway New York, NY 10004</p> <p>Same as above</p>	<p>\$4,200 fine</p> <p>Respondents admit to committing the cited violations described and represent, and have demonstrated to the Department, that they have implemented the necessary actions to prevent recurrences of these violations; and represent that Respondents are now compliant with the aforementioned sections of the Insurance Law and Regulations. Respondents will also take all necessary steps to comply with the Insurance Law and Regulations with respect to their brokerage activities in the future.</p>
<p>Respondents, for the time period from April 2016 to October 2016:</p> <p>a. aided and abetted ineligible unauthorized insurers; b. failed to timely file documentation with the Excess Line Association of New York for stamping and recording; and c. failed to send notice of excess line placement to the insureds.</p> <p>By reason of the foregoing Respondents violated:</p> <p>a. Insurance Law Section 2117 and Section 27.13 of Insurance Regulation 41 [11 NYCRR 27];</p> <p>b. Insurance Law Section 2118(b); and</p> <p>c. Insurance Law Section 2118(e). [Consent Order approved February 1, 2019.]</p>		

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Rhino New York LLC (Broker and Excess Line Broker)	598 Broadway, 10 <sup>th</sup> floor New York, NY 10012	\$182,750 fine
Benjamin Lantos (Agent, Broker, Excess Line broker, and Sublicensee)	Same as above	Respondents will also take all necessary steps to comply with Insurance Law and Regulations with respect to their brokerage activities in the future.
<p>Respondents, for the time period from August 2017 to August 2018:  Procured, from an unauthorized insurer, coverage which is not a kind of insurance authorized  under Section 1113 or other sections of the Insurance Law;  called attention to an unauthorized insurer by advertisement or public announcement;  failed to obtain the proper declinations from authorized insurers to satisfy the due diligence  requirements for each risk placed with an unauthorized insurer;  procured impermissible group property/casualty insurance policies, and  failed to send notices of excess line placement to each insured placed with an unauthorized  insurer. [Consent Order approved January 30, 2019.]</p>		

**Region: Rockland**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Shaye Blumenberg (Agent and Broker)	7 Bluefield Drive Spring Valley, NY 10977	\$1,000 fine
<p>Respondent signed his wife's name on an attendance roster for an insurer-provided  continuing education class, when in fact Respondent's wife did not attend the continuing  education class. [Stipulation approved January 25, 2019.]</p>		

**Region: Westchester**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Mayobane Hernandez (Agent, Broker, and Life Broker)	14 Wooded Way Mahopac, NY 10541	\$3,750 fine
<p>Respondent, after he was convicted of a criminal felony, engaged in the business of  insurance without having the consent of a regulatory official as required by 18 U.S.C.  Section 1033(e). [Stipulation approved December 7, 2018.]</p>		

**Region: Out of State**

<b>LICENSEE</b>	<b>ADDRESS</b>	<b>PENALTY</b>
Bail USA Inc. (Agent and Bail Bond Agent)	157 Main Street P.O. Box 806 Greenville, PA 16125	\$1,500 fine
<p>Respondent failed to disclose in its original application for an agent's license that Respondent was fined by the Nevada Division of Insurance and by the Department. Respondent also violated its agreement in a Department stipulation that Respondent would take all necessary steps to prevent the recurrence of violations involving the failure to disclose fines imposed by states in license applications submitted to the Department. [Stipulation approved January 11, 2019.]</p>		