

New York State Department of Financial Services

ISSUED: July 19, 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

Region: Utica

LICENSEE	ADDRESS	PENALTY
Graphic Arts Mutual Insurance Company	Utica National Insurance Group P.O. Box 530 Utica, NY 13503	\$150,000 fine
Republic-Franklin Insurance Company	Same as above	Respondents represent, and have demonstrated to the Department, that they have implemented the necessary actions to prevent recurrences of the violations described including having made restitution in the total amount of \$75,504.97 including interest to policyholders who were improperly surcharged; and also represent that Respondents are now compliant with the aforementioned sections of the New York Insurance Regulations.
Utica Mutual Insurance Company	Same as above	
Utica National Assurance Company	Same as above	
Utica National Insurance Company of Texas	Same as above	
Respondents, for the time period January 1, 2010 to December 31, 2016, erroneously surcharged personal auto policies for an incident for which Respondents received reimbursement equal to one third or more of the value of the insured's property damage claim; failed to refund the surcharge amount when it was subsequently established that the		

accident fell under this exception enumerated in the Respondents' merit rating plan; and failed to maintain adequate procedures to minimize the occurrence of improperly charged rates. By reason of the foregoing, Respondents violated Section 160.2(g) of Insurance Regulation 57 and Section 169.1 (g) and (h) of Insurance Regulation 100. [Consent Order approved June 5, 2019.]

Region: Out of State

LICENSEE	ADDRESS	PENALTY
Farmers New Century Insurance Company	Farmers Group, Inc. 6301 Owensmouth Ave., 3 rd Floor Woodland Hills, CA 91367	\$100,000 fine Respondent represents, and has demonstrated to the Department, that it has implemented the necessary actions to prevent recurrences of the violations described including having made restitution in the total amount of \$862,417 including interest to policyholders who were overcharged the improper rates.
Respondent, for the time period March 2000 to May 2017, failed to provide the appropriate premium reduction for insured vehicles equipped with passive restraint systems; failed to provide the appropriate premium reduction for insured vehicles equipped with antilock brake systems; and failed to have adequate procedures in place to minimize the occurrence of improperly charged rates. By reason of the foregoing, Respondent violated NYIL Section 2336(b) and (c); and Section 160.2(g) of Insurance Regulation 57. [Consent Order approved June 5, 2019.]		

LICENSEE	ADDRESS	PENALTY
Kookmin Best Insurance Company, Ltd. (U.S. Branch)	55 Challenger Road, 3 rd floor Ridgefield Park, NJ 07660	\$450,000 fine Respondent represents, and has demonstrated to the Department, that it has implemented the necessary actions to prevent recurrences of the violations described above including having made voluntarily restitution in the total amount of \$369,431 including interest to policyholders who were overcharged the improper rates.
Respondent violated NYIL Section 2314 and Insurance Regulation 57. For the time period January 2011 through December 2015, Respondent failed to charge rates in accordance with its filed and approved rates and rating rules resulting in both premium overcharges and undercharges to policyholders; and failed to maintain adequate procedures to minimize the occurrence of improperly charged rates. [Consent Order approved June 5, 2019.]		

LICENSEE	ADDRESS	PENALTY
Mid-Century Insurance Company	Farmers Group, Inc. 6301 Owensmouth Ave., 3rd Floor Woodland Hills, CA 91367	\$50,000 fine Respondent represents, and has demonstrated to the Department, that it has implemented the necessary actions to prevent recurrences of the violations described including having made restitution in the total amount of \$285,110 including interest to policyholders who were overcharged the improper rates.

Respondent, for the time period September 2013 to May 2017, failed to provide the appropriate premium reduction for insured vehicles equipped with passive restraint systems; failed to provide the appropriate premium reduction for insured vehicles equipped with antilock brake systems; and failed to have adequate procedures in place to minimize the occurrence of improperly charged rates. By reason of the foregoing, Respondent violated NYIL Section 2336(b) and (c); and Section 160.2(g) of Insurance Regulation 57. [Consent Order approved June 5, 2019.]

LICENSEE	ADDRESS	PENALTY
Titan Insurance Company, On behalf of Titan Indemnity Company	Nationwide Group One Nationwide Plaza, 1-35-206 Columbus, OH 43215	\$149,300 fine Respondent represents, and has demonstrated to the Department, that Titan Indemnity had implemented the necessary actions to prevent recurrences of the violations described above. Respondent further represents that it does not nor will not in the future transact insurance business in New York State unless it is so authorized and licensed to do so.
Titan Indemnity violated NYIL Section 2307(b) and New York VTL Section 313. For the time period January 2015 through January 2016, Titan Indemnity failed to provide sufficient notice of cancellation for non-payment of premium; and failed to adhere to its filed and approved policy provisions for timely notifying its insureds of a cancellation. [Consent Order approved June 5, 2019.]		

STIPULATIONS/CONSENT ORDERS

Region: New York

LICENSEE	ADDRESS	PENALTY
Kwok Leung Tam (Agent and Life Broker)	60-06 84th Street, 2nd Floor Middle Village, NY 11379	Licenses Revoked
Respondent failed to submit to the Department information and documentation regarding an insurer's termination of his appointment that was requested in Department letters and a Department email, and thereby hampered and impeded the Department's investigation. Respondent also submitted to an insurance company a Producer Appointment Data Sheet that contained false information. [Stipulation approved May 17, 2019.]		

Region: Westchester

LICENSEE	ADDRESS	PENALTY
Fox Mountain Consulting Inc. (Agent and Broker)	66 Milton Road Suite H42 Rye, NY 10580	\$2,500 fine
Robert J. Moore III (Sublicensee)	Same as above	
Respondents acted as insurance brokers in the name of Respondent Fox Mountain Consulting Inc. in the State of New York while Respondent Fox Mountain Consulting Inc. had no license to act as an insurance broker pursuant to the provisions of the Insurance Law. [Stipulation approved May 17, 2019.]		

Region: Out of State

LICENSEE	ADDRESS	PENALTY
Arcana Insurance Services LP (Broker)	5310 Harvest Hill Road, Suite 200 Dallas, Texas 75230	\$15,000 fine
Mark Alan Gannaway (Sublicensee)	Same as above	Respondents admit to committing the violations described above and represent, and have demonstrated to the Department,

		<p>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.</p>
<p>Respondents, for the time period November 2012 to August 2017 made insurance policy placements with an unauthorized insurer without proper licensing authority thereby violating New York Insurance Law Sections 2102 and 2117. [Consent Order approved June 5, 2019.]</p>		

LICENSEE	ADDRESS	PENALTY
<p>Hanleigh Management Inc. (Agent, Broker, and Excess Line Broker)</p>	<p>50 Tice Boulevard Suite 122 Woodcliff, NJ 07677</p>	<p>\$151,600 fine</p> <p>Respondent admits to committing the violations described above and represents, and has demonstrated to the Department, that the Respondent has implemented the necessary actions to prevent recurrences of these violations; and represents that Respondent is now compliant with</p>

		the aforementioned sections of the Insurance Law.
Respondent, for the time period from December 2013 to December 2016 failed to file documentation as required for certain policies with the excess line association for stamping and recording; and failed to send a notice of excess line placement to each insured placed with an unauthorized insurer thereby violating NYIL Section 2118(b) and (e). [Consent Order approved June 5, 2019.]		

LICENSEE	ADDRESS	PENALTY
MJM Global Insurance Brokerage Group Inc. (Agent, Broker, Life Broker and Excess Line Broker)	25 Rockwood Place Englewood, NJ 07631	\$1,000 fine
Michael F. Malhame (Agent, Broker, Life Broker and Sublicensee)	Same as above	
Respondents failed to report to the Superintendent within 30 days of the final disposition of the matter that Respondent MJM Global Insurance Brokerage Group Inc. was fined by the New Jersey Department of Banking and Insurance. Respondents also failed to disclose the New Jersey fine in Respondent MJM Global Insurance Brokerage Group Inc.'s license renewal applications. [Stipulation approved May 22, 2019.]		

LICENSEE	ADDRESS	PENALTY
Anthony Pugliese (Agent and Broker)	204 Route 18 East Brunswick, NJ 08816	\$2,750 fine
Respondent failed to report to the Superintendent within 30 days of the final disposition of the matter that Respondent was fined by the New Jersey Department of Banking and Insurance. Respondent also failed to disclose the New Jersey fine in his original application for a broker's license and in three renewal applications for an agent's license. [Stipulation approved May 31, 2019.]		

LICENSEE	ADDRESS	PENALTY
CDR Insurance Agency (Agent and Broker) Vincent Stifano (Sublicensee)	211 Schraffs Drive Waterbury, CT 06705 Same as above	\$1,250 fine
<p>Respondents failed to report to the Superintendent within 30 days of the final disposition of the matter that Respondent CDR Insurance Agency was fined by the Florida Department of Financial Services. Respondents also failed to disclose in Respondent CDR Insurance Agency's renewal application for an agent's license the aforementioned fine imposed by the Florida Department of Financial Services. [Stipulation approved May 31, 2019.]</p>		