

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking and)
Insurance, State of New Jersey, to fine, suspend)
and/or revoke the insurance producer licenses of)
Farrukh Siddiqui, Reference No. 119608, and)
Zayan Takaful LLC, Reference No. 1201276)
_____)

FINAL ORDER

TO: Farrukh Siddiqui
5004 East Fowler Avenue
Suite C-322
Tampa, Florida 33717

Zayan Takaful, LLC
c/o Farrukh Siddiqui
5004 East Fowler Avenue
Suite C-322
Tampa, Florida 33717

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon issuance of Order to Show Cause E21-38 (the “OTSC”), alleging that Farrukh Siddiqui (“Siddiqui”), and Zayan Takaful LLC (“Zayan Takaful”) (collectively, “Respondents”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Siddiqui is currently licensed as a nonresident individual insurance producer, pursuant to N.J.S.A. 17:22A-34(a); and

WHEREAS, Zayan Takaful was licensed as a resident business entity producer, pursuant to N.J.S.A. 17:22A-32(b), until its license expired on May 31, 2016; and

WHEREAS, Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 (the “Producer Act”), and the

regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(d), the Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Producer Act and Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes against any person who is under investigation for or charged with a violation of the Producer Act or Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(2), an insurance producer shall not violate any insurance law, regulation, subpoena or order of the Commissioner or of another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22-6.42(c), surplus lines insurance can be procured from unauthorized insurers, provided, among other things, that the insurance must be placed through a licensed New Jersey surplus lines agent; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed for that line of authority in accordance with the Producer Act; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(a), with certain exception, no person shall act as an insurance producer or maintain or operate any office in this State for the transaction of the business of an insurance producer, or receive any commission, brokerage fee, compensation or

other consideration for services rendered as an insurance producer, without first obtaining a license from the Commissioner granting authority for the kind of insurance transacted; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty of \$5,000.00 for the first offense and up to \$10,000.00 for each subsequent offense; additionally the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

WHEREAS, on August 25, 2021, the Commissioner issued the OTSC, alleging that Respondents violated various New Jersey insurance laws by as set forth in the following:

COUNT 1

IT APPEARING that the Zayan Takaful's producer license expired on May 31, 2016; and

IT FURTHER APPEARING that at all relevant times Siddiqui was the designated responsible licensed producer ("DRLP") for Zayan Takaful and responsible for Zayan Takaful's compliance with the insurance laws, rules and regulations of this State pursuant to N.J.S.A. 17:22A-32(b)(2); and

IT FURTHER APPEARING that Zayan Takaful conducted insurance business in New Jersey from May 31, 2016 until January 24, 2017 without a valid license; and

IT FURTHER APPEARING that, Zayan Takaful placed at least thirty (30) surplus lines policies in New Jersey without having surplus line authority after the expiration of its producer license; and

IT FURTHER APPEARING that by issuing at least thirty (30) surplus lines policies in New Jersey while unlicensed, Respondents violated N.J.S.A. 17:22A-40(a)(2), N.J.S.A. 17:22A-40(a)(8), N.J.S.A. 17:22-6.42(c), N.J.S.A. 17:22A-29, and N.J.A.C. 11:17A-1.3(a); and

IT FURTHER APPEARING that each act of issuance of a surplus lines policy while unlicensed constitutes a separate violation of the Producers Act and the regulations governing Insurance Producer Standards of Conduct; and

WHEREAS, Respondents were given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to the OTSC and failed to do so; and

WHEREAS, as set forth in the Certification of William Vaughan, attached as Exhibit A, by cover letter dated August 25, 2021, the Order to Show Cause No. E21-38 was mailed to Siddiqui via certified mail, return receipt requested, and regular mail to Siddiqui's then-current home address, based on a public information search, at 5004 East Fowler Avenue, Suite C-322, Tampa, Florida 33717, and neither was returned as undeliverable; and

WHEREAS, as set forth in the Certification of William Vaughan, attached as Exhibit A, by cover letter dated September 9, 2021, the Order to Show Cause No. E21-38 was mailed to Zayan Takaful via certified mail, return receipt requested, and regular mail to Siddiqui's then-current home address, based on a public information search, at 5004 East Fowler Avenue, Suite C-322, Tampa, Florida 33717, neither was returned as undeliverable and the return receipt was returned signed; and

WHEREAS, mailing of the OTSC by regular and certified mail to Siddiqui and Zayan Takaful c/o Siddiqui constitutes lawful service, pursuant to N.J.A.C. 11:17D-2.1(a)3; and

WHEREAS, Respondents failed to provide a written response to the charges contained in the OTSC within twenty days as provided by N.J.A.C. 11:17D-2.1(d)1, and therefore has waived their right to a hearing to contest these charges and the charges are deemed admitted under N.J.A.C. 11:17D-2.1(b)1; and

NOW, THEREFORE, IT IS on this 21 day of March, 2022:

ORDERED, that the charges contained in the OTSC are deemed admitted by Respondents due to their failure to respond to the charges, pursuant to N.J.A.C. 11:17D-2.1(b)(1); and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-40, and N.J.A.C. 11:17D-2.1(b)(2), the insurance producer license of Siddiqui is **REVOKED** effective upon the execution of this Final Order; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-40, and N.J.A.C. 11:17D-2.1(b)(2), the insurance producer license of Zayan Takaful is **REVOKED** effective upon the execution of this Final Order; and

IT IS FURTHER ORDERED, that Respondents shall be responsible for the payment of two hundred ninety five thousand dollars (\$295,000) in civil penalties for the violations of the Producer Act and regulation cited above as follows; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45(c) and N.J.A.C. 11:1-32.4(b)(20), Respondents shall reimburse the Department of Banking and Insurance, Division of Insurance Enforcement, for the costs associated with the investigation and prosecution of this matter, as evidenced by the Certification of Costs by Investigator Ashley Mallory-White, attached as Exhibit B, totaling \$400.00. The Commissioner has reviewed the investigative costs application and finds the amount of time to be reasonable; and

IT IS FURTHER ORDERED, that Respondents shall pay the above civil penalty and costs totaling \$295,400 by remitting full payment to the Commissioner of Banking and Insurance, State of New Jersey, 20 West State Street, P.O. Box 329, Trenton, New Jersey 08625, Attention: Virgil Downtin, Chief of Investigations by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten (10) days from the date of service of this Order; and

IT IS FURTHER ORDERED, that in the event full payment of the civil penalty, restitution and costs is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties, in accordance with the Penalty Enforcement Law of 1999, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED, that the civil penalty in this Final Order is imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the protection of the public health, safety and welfare, and is not intended to constitute a debt which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED, that the provisions of this Final Order represent a final agency decision and constitute a final resolution of the allegations contained in the OTSC.



Marlene Caride
Commissioner of Banking and Insurance