

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 Suburban General Insurance Agency,	)	CONSENT
Ref. No. 8026655.	)	ORDER

TO: Suburban General Insurance Agency  
625 From Road, Suite 2  
Paramus, NJ 07652

This matter, having been opened to the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Suburban General Insurance Agency (“Suburban”), currently licensed as a resident business entity insurance producer pursuant to N.J.S.A. 17:22A-32b, has violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Suburban (“Respondent”) is subject to the provisions of New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

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

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

WHEREAS, pursuant to N.J.A.C. 11:17B-3.1(b) 1, 2, and 3, an insurance producer shall not charge a fee without first obtaining from the insured or prospective insured a written agreement, which contains a clear statement of the amount of the fee to be charged and the nature of the service to be provided; a statement that such fees are not a part of the premium charged by the insurance company

and that such fees can be charged only if the insured or prospective insured so consents in writing; and a clear statement as to whether a commission will be received from the purchase of insurance; and

WHEREAS, pursuant to N.J.A.C. 11:17B-3.1(f), no insurance producer may charge a fee for services not actually performed; and

IT APPEARING, that beginning in 2011 through 2014, Respondent entered into a fee agreement to charge a yearly agency fee of \$250.00 for a commercial policy to insureds JA, JR, and JN and that said agreement did not contain a clear statement of the nature of the services to be provided making it impossible to determine whether fees had been charged for services not actually performed; said agreement did not contain a statement that such fees were not part of the premium charged by the insurance company and that such fees could only be charged if the insureds consented in writing; nor did it contain a clear statement as to whether a commission would be received from the purchase of insurance, in violation of N.J.S.A. 17:22A-40a (2) and (8), N.J.A.C. 11:17B-3.1(b) 1, 2, and 3; and N.J.A.C. 11:17B-3.1(f); and

IT FURTHER APPEARING, that cause does exist under N.J.S.A. 17:22A-40a and N.J.S.A. 17:22A-45c, to impose a fine; and

IT FURTHER APPEARING, that Respondent, having waived its right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of \$2,500.00; and

IT FURTHER APPEARING, that this matter should be resolved upon the consent of the parties without resort to a formal hearing on the aforementioned violations; and

NOW, THEREFORE, IT IS on this 28<sup>th</sup> day of JANUARY, 2015

ORDERED AND AGREED, that Respondent pay a fine in the amount of \$2,500.00 to the Department of Banking and Insurance; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or money order made payable to the State of New Jersey, General Treasury, with a

payment of \$2,500.00 due and payable immediately upon execution of this Consent Order by Respondent; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the fine payment of \$2,500.00 shall be remitted to:

New Jersey Department of Banking and Insurance  
Attention: Virgil Downtin – Chief of Investigations  
9th Floor, Consumer Protection Services, Enforcement  
P. O. Box 329  
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the fine is not made in accordance with this Order, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties in summary proceedings, in accordance with the penalty enforcement law N.J.S.A. 2A:58-10 et seq.; and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represents a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall cease and desist from engaging in the conduct that gave rise to this Consent Order and hereafter shall comply in all respects with the New Jersey insurance laws and regulations.

  
Peter L. Hartt  
Director of Insurance

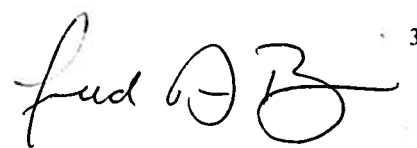
Consented to as to  
Form and Content

**Suburban General Insurance Agency**

By:   
Suburban General Insurance Agency

John W. Arbuchio  
by:  
Title: *Sect. 2 Ins.*

1/15/15  
Date



**FREDERICK DEBONIS III**  
ID # 2352381  
NOTARY PUBLIC  
STATE OF NEW JERSEY  
My Commission Expires Nov. 16, 2016