

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)	ORDER
and/or revoke the insurance)	TO
producer licenses of Enrico)	SHOW
Smith, Reference No. 1354714,)	CAUSE
and Earline Princewill,)	
Reference No. 1243889)	

TO: Enrico Smith
83 Still Run
Clayton, N.J. 08312

Earline Princewill
1310 Friendship St., Apt. 1
Philadelphia, PA 19111-4206

Earline Princewill
1500 Spring Garden St., 8th floor
Philadelphia, PA 19130

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Enrico Smith ("Smith"), and Earline Princewill, ~~a.k.a. Earline Smith. ("Princewill") (collectively respondents)~~, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent Smith is currently licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32; and

WHEREAS, Respondent Princewill is currently licensed as a

nonresident insurance producer pursuant to N.J.S.A. 17:22A-34; 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 et seq. ("Producer Act") and the Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance laws, 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 fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(17), an insurance producer shall not knowingly facilitate or assist another person in violating any insurance laws; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person who violates any provision of the Producer Act shall be liable to a penalty not exceeding \$5,000 for the first offense and not exceeding \$10,000 for each subsequent offense; additionally, the

Commissioner or the court, as the case may be, may order restitution of moneys owed any person and reimbursement of the costs of investigation and prosecution, as appropriate; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.2, an insurance producer who takes an application for insurance shall be required to witness the signature of the prospective insured on the application prior to the submission of the application to the insurer only when the application is signed by the applicant after having been completed in a face to face meeting between the producer and the prospective insured, unless this requirement has been waived by prior written authorization by the insurer; and

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING that, at all relevant times, Respondent Smith was married to Respondent Princewill; and

IT FURTHER APPEARING that, at all times relevant hereto, Respondent Princewill was appointed as a licensed agent by Independence Blue Cross Insurance Company ("Independence") to solicit and sell various insurance products, including AmeriHealth 65 Medicare insurance plans; and

IT FURTHER APPEARING that, in May 2013, Respondent Smith applied to Independence to be appointed as a licensed agent to solicit and sell Independence insurance products; and

IT FURTHER APPEARING that, Respondent Smith's application with Independence to be a licensed agent was denied by Independence because of Respondent Smith's criminal record; and

IT FURTHER APPEARING that, after being rejected for appointment by Independence, Respondent Smith conspired with Respondent Princewill to enable Respondent Smith to solicit and sell Independence insurance products; and

IT FURTHER APPEARING that, Respondent Smith marketed, solicited and made presentations to prospective insureds about the Independence insurance products, including Medicare insurance plans; and

IT FURTHER APPEARING that, Respondent Smith led prospective insureds to believe that he was associated with Independence and that he was appointed as a licensed agent of Independence; and

IT FURTHER APPEARING that, Respondent Smith solicited prospective insureds to purchase Independence insurance products and assisted them in completing enrollment forms for such products, including Medicare plans; and

IT FURTHER APPEARING that, Respondent Smith submitted partially completed and signed enrollment forms for Independence insurance products to Respondent Princewill who then completed the required insurance producer section of the enrollment forms; and

IT FURTHER APPEARING that, the producer section required identifying information about the insurance producer who solicited the prospective insured, and required the producer to list his name, phone number, agent number, date of the application, effective date of coverage, insured's name, method of contact with the insured, and the date of the meeting with the prospective insured; and

IT FURTHER APPEARING that, upon receiving a completed and signed enrollment form from Respondent Smith, Respondent Princewill completed the producer section of the enrollment form, identifying herself as the producer for the application, despite the fact that she did not solicit the prospective insured and she did not witness the prospective insured signing the application; and

IT FURTHER APPEARING that, after completing and executing enrollment forms solicited by Respondent Smith, Respondent Princewill submitted the enrollment forms to Independence for underwriting; and

IT FURTHER APPEARING that, when submitting to Independence the enrollment forms of persons solicited by Respondent Smith, Respondent Princewill falsely represented to Independence that she was the insurance producer who solicited the prospective insured; and

IT FURTHER APPEARING that, when submitting to Independence the enrollment forms of persons solicited by Respondent Smith, Respondent Princewill failed to disclose to Independence that it was Respondent Smith who actually solicited and sold the Independence insurance products; and

IT FURTHER APPEARING that, after issuing the insurance policies submitted by Respondent Princewill, Independence issued to Respondent Princewill a commission check; and

IT FURTHER APPEARING that, specific examples of the conspiracy between Respondent Smith and Respondent Princewill, are as follows:

1. Medicare Application of G. W.

IT FURTHER APPEARING that, on or about November 6, 2013, Respondent Smith set up a presentation table featuring Independence Medicare products in front of a supermarket in Atlantic City, New Jersey; and

IT FURTHER APPEARING that, on or about November 6, 2013, Respondent Smith solicited AmeriHealth 65 HMO, an Independence medicare insurance product, to G. W.; and

IT FURTHER APPEARING that, on or about November 6, 2013, Respondent Smith assisted G. W. in completing the AmeriHealth 65 HMO enrollment form; and

IT FURTHER APPEARING that, after assisting in the completion of the enrollment form, Respondent Smith submitted the enrollment form to Respondent Princewill for her to complete the required producer section of the application; and

IT FURTHER APPEARING that, upon completing the required producer section of the enrollment form of G. W., Respondent Princewill submitted the enrollment form to Independence without disclosing that she did not actually solicit or sell the insurance product; and

2. Medicare Application of J. H.

IT FURTHER APPEARING that, on or about November 6, 2013, Respondent Smith set up a presentation table featuring Independence Medicare products in the lobby of a senior citizen center in Atlantic City, New Jersey; and

IT FURTHER APPEARING that, on or about November 6, 2013, Respondent Smith solicited AmeriHealth 65 HMO, an Independence Medicare insurance product, to J. H.; and

IT FURTHER APPEARING that, on or about November 6, 2013, Respondent Smith assisted J. H. in completing the AmeriHealth 65 HMO enrollment form; and

IT FURTHER APPEARING that, after assisting in the completion of the enrollment form, Respondent Smith submitted the enrollment

form to Respondent Princewill for her to complete the required producer section of the application; and

IT FURTHER APPEARING that, upon completing the required producer section of the enrollment form of J. H., Respondent Princewill submitted the enrollment form to Independence without disclosing that she did not actually solicit or sell the insurance product; and

3. Medicare Application of E. D.

IT FURTHER APPEARING that, on or about November 6, 2013, Respondent Smith set up a presentation table featuring Independence Medicare products in Atlantic City, New Jersey; and

IT FURTHER APPEARING that, on or about November 6, 2013, Respondent Smith solicited AmeriHealth 65 HMO, an Independence Medicare insurance product, to E. D.; and

IT FURTHER APPEARING that, on or about November 6, 2013, Respondent Smith traveled with Respondent Princewill to E. D.'s residence; and

IT FURTHER APPEARING that, on or about November 6, 2013, ~~respondent Smith solicited and assisted E. D. in the completion of the AmeriHealth 65 HMO enrollment form, although Respondent Princewill was present during the solicitation she did not speak to E.D. and did not assist E.D. in completing the enrollment form; and~~

IT FURTHER APPEARING that, after assisting in the completion of the enrollment form, Respondent Smith submitted the enrollment form to Respondent Princewill for her to complete the required producer section of the application; and

IT FURTHER APPEARING that, upon completing the required producer section of the enrollment form of E. D., Respondent Princewill submitted the enrollment form to Independence without disclosing that she did not actually solicit or sell the insurance product; and

4. Medicare Application of C. H.

IT FURTHER APPEARING that, on or about November 7, 2013, Respondent Smith set up a presentation table featuring Independence Medicare products in an apartment building in Atlantic City, New Jersey; and

IT FURTHER APPEARING that, on or about November 7, 2013, Respondent Smith solicited AmeriHealth 65 HMO, an Independence Medicare insurance product, to C. H.; and

IT FURTHER APPEARING that, on or about November 7, 2013, ~~respondent Smith~~ assisted C. H. in completing the AmeriHealth 65 HMO enrollment form; and

IT FURTHER APPEARING that, after assisting in the completion of the enrollment form, Respondent Smith submitted the enrollment

form to Respondent Princewill for her to complete the required producer section of the application; and

IT FURTHER APPEARING that, upon completing the required producer section of the enrollment form of C. H., Respondent Princewill submitted the enrollment form to Independence without disclosing that she did not actually solicit or sell the insurance product; and

COUNT 1

IT FURTHER APPEARING that, by soliciting and assisting persons to apply for Independence insurance products, without being appointed by Independence to do so, Respondent Smith engaged in fraudulent, coercive, or dishonest practices, demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of insurance business and committed a fraudulent act, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16); and

IT FURTHER APPEARING that each act of soliciting a person to apply for an Independence insurance product without being appointed to do so constitutes a separate violation of the Producer Act; and

COUNT 2

IT FURTHER APPEARING that, by soliciting and selling insurance products to potential insureds and later submitting completed enrollment forms to Respondent Princewill, knowing that Respondent Princewill would then submit the completed application to

Independence, Respondent Smith facilitated and assisted another person in violating insurance laws, in violation of N.J.S.A. 17:22A-40a(17); and

IT FURTHER APPEARING that each act of assisting Respondent Princewill's violation of insurance laws constitutes a separate violation by Respondent Smith of the Producer Act; and

COUNT 3

IT FURTHER APPEARING that, by completing the producer section of the enrollment forms solicited and completed by Respondent Smith and by later submitting the completed enrollment forms to Independence without disclosing that she was not the originator of the insurance business, Respondent Princewill engaged in fraudulent, coercive, or dishonest practices, demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of insurance business and committed a fraudulent act, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16); and

IT FURTHER APPEARING that each act of submitting an enrollment form that she signed but which she did not personally solicit constitutes a separate violation of the Producer Act; and

COUNT 4

IT FURTHER APPEARING that, by allowing and assisting Respondent Smith to solicit insurance business when he was not appointed to do so, Respondent Princewill facilitated and assisted

another person in violating insurance laws, in violation of N.J.S.A. 17:22A-40a(17); and

IT FURTHER APPEARING that each act of assisting Respondent Smith's violation of insurance laws constitutes a separate violation by Respondent Princewill of the Producer Act;

NOW, THEREFORE, IT IS on this 30th day of March,
2017

ORDERED that Respondents appear and show cause why their New Jersey insurance producer licenses should not be suspended or revoked by the Commissioner and why they should not each be fined up to \$5,000 for the first violation and not more than \$10,000 for the second and each subsequent violation of the Producer Act, pursuant to N.J.S.A. 17:22A-40a and N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED that Respondents appear and show cause why they should not be subject to restitution and reimbursement of the costs of investigation and prosecution, pursuant to the provisions of N.J.S.A. 17:22A-45c; and

IT IS PROVIDED that Respondents have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED that, unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by the licensee and the Commissioner shall dispose of this matter in accordance with the law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. The request shall contain the following:

- A. The licensee's name, address, and daytime telephone number;
 - B. A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
 - C. A specific admission or denial of each fact alleged in this Order to Show Cause. Where the licensee has no specific knowledge regarding a fact alleged in the Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
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- D. A statement requesting a hearing.



PETER L. HARTT
Director of Insurance