

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 license)
of Derek Dixon, Reference No. 1635977.)
_____)

ORDER TO SHOW CAUSE

TO: Derek Dixon
440A White Horse Pike STE 118
Atco, New Jersey 08004

Derek Dixon
304 Parkville Station RD327
Mantua, New Jersey 08051

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Derek Dixon (“Respondent”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was formerly licensed by the Department as a resident insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-32(a), from March 14, 2017 until April 30, 2019 when his license expired; and

WHEREAS, Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act, N.J.S.A. 17:22A-1 to -57 (the “Producer Act”), the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8, and the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 to -30 (the “Fraud Act”); 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 of 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)(1), an insurance producer shall not provide incorrect, misleading, incomplete or materially untrue information in the license application; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(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-40(a)(3), an insurance producer shall not obtain or attempt to obtain a license through misrepresentation or fraud; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(5), an insurance producer shall not intentionally misrepresent the terms of an actual or proposed insurance contract, policy or application for insurance; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(7), an insurance producer shall not have admitted to or been found to have committed any insurance unfair trade practice or fraud; 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 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-40(a)(15), an insurance producer shall not intentionally withhold material information or make a material misstatement in an application for a license; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(16), an insurance producer shall not fail to notify the Commissioner within 30 days of his conviction of any crime, indictment or the filing of any formal criminal charges; 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 for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(b), within 30 days of the initial pretrial hearing date, an insurance producer shall report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$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, pursuant to N.J.S.A. 17:33A-4(a)(1), no person shall present or cause to be presented any written or oral statement as part of, or in support of or opposition to, a claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to the claim; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(a)(2), no person shall prepare or make any written or oral statement that is intended to be presented to any insurance company in connection with, or in support of or opposition to any claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to the claim; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(a)(3), no person shall conceal or knowingly fail to disclose the occurrence of any event which affects any person's initial or continued right or entitlement to (a) any insurance benefit or payment or (b) the amount of any benefit or payment to which the person is entitled; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(b), no person shall knowingly assist, conspire with, or urge any person or practitioner to violate any of the provisions of the Fraud Act; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5(a) and (c), violations of the Fraud Act subject the violator to a civil and administrative penalty not to exceed \$5,000.00 for the first offense, not to exceed \$10,000.00 for the second offense and not to exceed \$15,000.00 for each subsequent offense; moreover, the Commissioner may issue a final order recovering costs of prosecution, including attorneys' fees, in accordance with N.J.A.C. 11:16-7.9(c); and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, any person who is found in any legal proceeding to have committed insurance fraud shall be subject to a surcharge in the amount of \$1,000.00; and

COUNT ONE
(Fraud Act)

IT APPEARING, that at all relevant times, "B.V.," an individual, had a homeowner's insurance policy with New Jersey Skylands Insurance ("Skylands"), an affiliate of National

General Insurance Company, to insure her home at 152 Evan Court, West Deptford, New Jersey 08086; and

IT FURTHER APPEARING, that at all relevant times, Respondent resided at 152 Evan Court, West Deptford, New Jersey 08086; and

IT FURTHER APPEARING, that on or about May 18, 2018, "J.R.," daughter of B.V. and Respondent's girlfriend, and Respondent, falsely reported to the West Deptford Police Department that nine packages had been purportedly stolen from the front porch of their residence at 152 Evan Court, West Deptford, New Jersey 08086; and

IT FURTHER APPEARING, that on or about May 18, 2018, J.R. and Respondent filed a police report falsely representing that the packages had been stolen from 152 Evan Court, West Deptford, New Jersey 08086, and J.R. signed a West Deptford Police Department Burglary and/or Theft Affidavit regarding the packages that were purportedly stolen; and

IT FURTHER APPEARING, that on or about May 31, 2018, during a call with National General Insurance Company, Respondent falsely reported that the packages had been stolen from the front porch of 152 Evan Court, West Deptford, New Jersey 08086; and

IT FURTHER APPEARING, that none of the packages that were purportedly stolen were ever scanned by a US Postal Service worker; and

IT FURTHER APPEARING, that because 152 Evan Court, West Deptford, New Jersey 08086 was rural, that pick up of the packages by the US Postal Service from 152 Evan Court, West Deptford, New Jersey 08086 would have had to be prearranged through the post office, and that such prearrangement was never done; and

IT FURTHER APPEARING, that on or about June 19, 2018, Skylands denied the theft claim based on its determination that the packages were never stolen; and

IT FURTHER APPEARING, that on or about July 6, 2018, Respondent provided a written statement to the West Deptford Police Department admitting that he had lied to J.R. that the packages had been purportedly stolen even though he knew they were not stolen, and that he had made a false police report; and

IT FURTHER APPEARING, that on or about September 4, 2018, Respondent pled guilty to violating N.J.S.A. 2C:28-3(b)(1) for making a false statement to the police; and

IT FURTHER APPEARING, that on September 4, 2019, during a recorded interview with an investigator from the Bureau of Fraud Deterrence, J.R. advised that (i) Respondent notified her of the purportedly missing packages; (ii) Respondent represented to her that the packages had been placed on the front porch of 152 Evan Court, West Deptford, New Jersey 08086; and (iii) she never saw the packages on the front porch, but believed Respondent's false representation that he placed the packages on the front porch; and

IT FURTHER APPEARING, that by falsely representing to J.R., the police, and National General Insurance Company that the packages had been stolen, and concealing that in fact they had not been stolen, Respondent made and caused to be made false statements to an insurance company, in support of a claim for payment, knowing that the statements contained false or misleading information concerning material facts, in violation of N.J.S.A. 17:33A-4(a)(1), -4(a)(2), and -4(a)(3); and

IT FURTHER APPEARING, that because Respondent urged J.R. to submit the false information to the police department, he also violated N.J.S.A. 17:33A-4(b); and

COUNT TWO
(Producer Act)

IT FURTHER APPEARING, that by falsely representing to J.R., the police, and National General Insurance Company that the packages had been stolen, and concealing that in fact they had not been stolen, Respondent violated the Producer Act, specifically N.J.S.A. 17:22A-40(a)(2), (5), (7), (8), and (16); and

COUNT THREE
(Producer Act)

IT FURTHER APPEARING, that on July 6, 2018, the West Deptford Police Department issued a Complaint-Summons for Respondent, stating that he knowingly made a written statement he did not believe to be true, with the intent to mislead a public servant, claiming that nine packages containing medical test strips valued in excess of \$16,000 had been stolen from the front porch of his residence; and

IT FURTHER APPEARING, that Respondent, who was then a licensed resident insurance producer, failed to notify the Commissioner within 30 days of his initial criminal charges in violation of N.J.S.A. 17:22A-40(a)(2) and (18) and N.J.S.A. 17:22A-47(b); and

COUNT FOUR
(Fraud Act)

IT FURTHER APPEARING, that on his application to be an insurance producer, Respondent listed his residential address as 440A White Horse Pike STE118, Atco, NJ 08005; and

IT FURTHER APPEARING, that 440A White Horse Pike STE118, Atco, NJ 08005 was never Respondent's address because that is a business address and Respondent simply rented a mailbox from that business; and

IT FURTHER APPEARING, that by supplying a false residential address on his insurance producer application, Respondent violated N.J.S.A. 17:22A-40(a)(1), (2), (3), (8), and (15);

NOW, THEREFORE, IT IS on this March day of 13, 2026:

ORDERED, that Respondent appear and show cause why his New Jersey insurance producer licenses should not be revoked pursuant to N.J.S.A. 17:22A-40(a); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act and order Respondent to pay restitution of moneys owed to any person, pursuant to the provisions of N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why he should not be required to reimburse the Department for the cost of the investigation and prosecution, including attorneys' fees, as authorized pursuant to N.J.S.A. 17:22A-45(c), N.J.S.A. 17:33A-5(c) and N.J.A.C. 11:16-7.9(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first offense, up to \$10,000.00 for the second offense, and up to \$15,000.00 for each subsequent offense of the Fraud Act pursuant to the provisions of N.J.S.A. 17:33A-5(c) and N.J.A.C. 11:16-7.9(a); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not impose a \$1,000.00 surcharge in accordance with N.J.S.A. 17:33A-5.1; and

IT IS PROVIDED, that Respondent has 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 Respondent, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Matthew Gervasio, Supervising Investigator, 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. A copy of the request for a hearing shall also be sent to Deputy Attorney General Nicholas Kant at: Division of Law, P.O. Box 117 Trenton, NJ 08625. The request shall contain the following:

- (a) Respondent's full 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 Respondent 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
- (d) A statement requesting the hearing.



Susan Ochs
Acting Commissioner