

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 and) CONSENT
revoke the insurance license of Paul Francis) ORDER
Sauchelli, Reference No. 1402701)

TO: Paul Francis Sauchelli
c/o Conway & Conway
565 Fifth Avenue
7th Floor
New York, NY 10017

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Paul Francis Sauchelli (“Respondent”), currently licensed as a resident insurance producer, pursuant to N.J.S.A. 17:22A-32, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, the Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq. and the New Jersey Fraud Prevention Act (“Fraud Act”), N.J.S.A. 17:33A-1 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 (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-40a (7), an insurance producer shall not admit to or been found to have committed any insurance unfair trade practice or fraud; 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 a fraudulent act; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.10, an insurance producer acts in a fiduciary capacity in the conduct of his or her insurance business; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4a (4)(b), no person shall prepare or make any written or oral statement that is intended to be presented to any insurance company, for the purpose of obtaining 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-5c, violations of the Fraud Act subject the violator to a civil penalty not to exceed \$5,000 for the first offense, not to exceed \$10,000 for the second offense and not to exceed \$15,000 for each subsequent offense; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, each person who settles an insurance fraud proceeding shall be subject to a surcharge of 5% of the Fraud Act settlement amount; and

IT APPEARING, that on November 26, 2012, the Respondent was interviewed by a Northwestern Mutual Insurance Company's paramedical examiner and failed to accurately disclose all medical information that was material to the underwriting of a disability policy application submitted on himself, in violation of N.J.S.A. 17:22A-40a (2), (5), (7), (8) and (16) and N.J.A.C. 11:17A-4.10; and

IT FURTHER APPEARING, that the Respondent's actions constitute violations of the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-4a (4) (b); and

IT FURTHER APPEARING that the Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the Department of Banking and Insurance's ("Department") investigation; and

IT FURTHER APPEARING, that cause does exist under N.J.S.A. 17:22A-40a, N.J.S.A. 17:22A-45c and N.J.S.A. 17:33A-5c to impose a fine and revoke the insurance producer license of Respondent; and;

IT FURTHER APPEARING, that Respondent, has waived his right to a hearing on the aforementioned violations and consented to the revocation of his producer license under the Producer Licensing Act and payment of a civil penalty in the amount of \$1,000.00 for the violation of the Fraud Act; and

IT FURTHER APPEARING, that pursuant to N.J.S.A. 17:33A-5.1, Respondent shall pay a statutory insurance surcharge of \$50.00; 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 28th day of July 2014,

ORDERED AND AGREED, that Respondent admits to the violations of the Producer Licensing Act and the Fraud Act as described above; and


IT IS FURTHER ORDERED AND AGREED, that the Respondent's producer license, Reference Number 1402701, is hereby REVOKED for the violations of the Producer Licensing Act admitted herein and shall be returned to the Department upon execution of this Consent Order; and

IT IS FURTHER ORDERED AND AGREED that Respondent shall pay a civil penalty in the amount of \$1,000.00 and a statutory fraud surcharge of \$50.00 for the violations of the New Jersey Fraud Prevention Act admitted herein; and

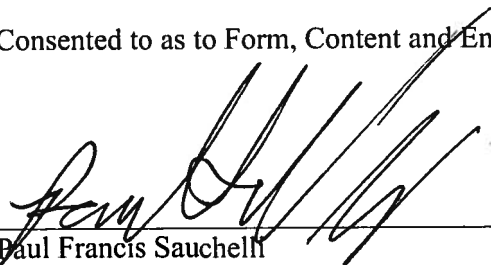
IT IS FURTHER ORDERED AND AGREED, that Respondent shall make payment in the amount of \$1,050.00 to the Commissioner, due immediately upon execution of this Consent Order by the Respondent. Payment shall be paid by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury", and shall be remitted to:

New Jersey Department of Banking and Insurance
Attention: Virgil Downtin, Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement Unit
P O Box 329
Trenton, New Jersey 08625-0329

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


Peter. L. Hartt
Acting Director of Insurance

Consented to as to Form, Content and Entry


Paul Francis Sauchelli

Date: 7/5/2014