

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 revoke and)	CONSENT
fine the insurance license of Arthur Sinuk,)	ORDER
Reference No. 1120267)	

To: Arthur Sinuk
301 East 38 Street
New York, NY 10016

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Arthur Sinuk (“Respondent”), currently licensed as a nonresident individual insurance producer, pursuant to N.J.S.A. 17:22A-34a, has violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is 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”), the regulations governing the Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to -4.8, 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-40a(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-40a(6), a producer shall not have been convicted of a felony or crime of the fourth degree or higher; 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.S.A. 17:22A-40a(17), an insurance producer shall not knowingly facilitate or assist another person in violating any insurance law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(18), an insurance producer shall notify the Commissioner within 30 days of his conviction of any crime, indictment or the filing of any formal criminal charges, or the suspension or revocation of any insurance license or authority by a state, other than this State, or the initiation of formal disciplinary proceedings in a state, other than this State, affecting the producer's insurance license; shall obtain the written consent pursuant to sections 1033 and 1034 of Title 18, United States Code (18 U.S.C. ss. 1033 and 1034); and shall supply any documentation that the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(b), an insurance producer shall report to the Commissioner any criminal prosecution of the insurance producer taken in

any jurisdiction within 30 days of the initial pretrial date and 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. 17:33A-4a(4)(b), no person shall prepare or make any written or oral statement, intended to be presented to any insurance company or producer 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 an insurance application or contract; 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 \$5,000.00 for the first violation, not to exceed \$10,000.00 for the second violation and not to exceed \$15,000.00 for each subsequent violation; 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

WHEREAS, pursuant to N.J.A.C. 11:17A-2.3(b), no insurance producer shall offer, pay or give, or permit to be offered, paid or given, to any person directly or indirectly, any rebate of premiums payable on a contract of insurance, other than that plainly expressed in the contract or provided for in the rating systems filed by or on behalf of the insurer writing the contract and approved by the Commissioner; and

WHEREAS, that on or about May 20, 2012 and on or about January 15, 2013, Respondent knowingly made material misrepresentations to Allianz Life Insurance Company of North America by misrepresenting the source of funding for two life

insurance policies and the city and state in which the policies were signed, and conspired with two applicants to reimburse their life insurance premiums, in violation of N.J.S.A. 17:22A-40a(2), (8), (16) and (17), N.J.S.A. 17:33A-4a(4)(b) and N.J.A.C. 11:17A-2.3(b); and

WHEREAS, on October 27, 2017, the Respondent was convicted of the crime of insurance fraud in the third degree in violation of N.J.S.A. 2C:21-4.6A, in violation of N.J.S.A. 17:22A-40a(2) and (6); and

WHEREAS, Respondent failed to notify the Commissioner of the criminal conviction within 30 days, in violation of N.J.S.A. 17:22A-40a(2) and (18) and N.J.S.A. 17:22A-47(b); and

WHEREAS, 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

WHEREAS, 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

Whereas, Respondent has waived his right to a hearing on the aforementioned violations and consented to the revocation of his nonresident insurance producer license for the violations of the Producer Licensing Act, and payment of a civil penalty in the amount of \$5,000.00 for the violations of the Fraud Act; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, Respondent shall pay a statutory insurance surcharge of \$250.00; and

WHEREAS, 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 25th day of May, 2018

ORDERED AND AGREED, that the Respondent consents to the revocation of his nonresident insurance producer license, Reference Number 1120267, pursuant to N.J.S.A. 17:22A-40a, and said license shall be immediately returned to the Department upon execution of this Consent Order by the Respondent; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall pay a civil penalty of \$5,000.00 for the violations of the Fraud Act; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall pay an insurance fraud surcharge in the amount of \$250.00 for the violation of the Fraud Act; and

IT IS FURTHER ORDERED AND AGREED, that said civil penalty and surcharge shall be paid by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," with an initial payment of \$750.00 due and payable immediately upon execution of this Consent Order by Respondent and 36 subsequent monthly payments of \$125.00 due and payable on or before the 25th day of each month thereafter; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the respondent's nonresident producer license, the initial civil penalty payment and surcharge of \$750.00 and each subsequent monthly installment payment 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

and

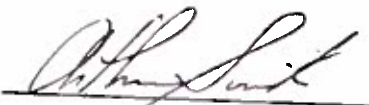
IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.A.C. 11:17D-2.7, Respondent is barred from applying for an insurance producer license for a period of five years from the date of the Commissioner's issuance of this Consent Order; and

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the civil penalty and surcharge are not made or any payment 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 to 12; and

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
Director of Insurance

Consented to as to
Form, Content and Entry

By: 
Arthur Sinuk

Date: 5/19/2018
