

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)	ORDER
and Insurance, State of New Jersey, to fine, suspend)	TO
and/or revoke the insurance producer licenses of)	SHOW CAUSE
Juan Huaman, Ref. No. 1245509;)	
Karla V. Rojas-Illescas, Ref. No. 1421496; and)	
Angel L. Acevedocarrero, Ref. No. 1405997)	

TO: Juan Huaman	Karla V. Rojas-Illescas
982 Edgewood Road	410 19th Street, Apt. 1
Elizabeth, NJ 07208-1054	Union City, NJ 07087-4404
Angel L. Acevedocarrero	Angel L. Acevedocarrero
150 Maple Ave. Suite 155	1285 George Street
South Plainfield, NJ 07080-3407	Plainfield, NJ 07062

This matter, having been opened to the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Juan Huaman, (“Huaman”), currently licensed as a resident individual insurance producer pursuant to N.J.S.A. 17:22A-32; Karla V. Rojas-Illescas (“Illescas”), currently licensed as a resident individual insurance producer pursuant to N.J.S.A. 17:22A-32; and Angel L. Acevedocarrero (“Acevedocarrero”), currently licensed as a resident individual insurance producer pursuant to N.J.S.A. 17:22A-32 (collectively, “Respondents”); may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondents are subject to the provisions of the New Jersey Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq. (“Producer Licensing Act”); Trade Practices Regulated Act, N.J.S.A. 17:29B-1 et seq., and the rules governing same; 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; 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; 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 law; and

WHEREAS, pursuant to N.J.S.A. 17:29B-3, no person shall engage in this State in any trade practice which is defined in this act as or determined pursuant to this act to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance; and

WHEREAS, pursuant to N.J.S.A. 17:29B-4(2), an insurance producer shall not provide false information and advertising, specifically, an insurance producer shall not make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive or misleading; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.2, an insurance producer shall witness the signature of a 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; and

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that Anthem Group Inc. (“Anthem”) is a national insurance holding company; and

IT FURTHER APPEARING, that Amerigroup of New Jersey Inc. (“Amerigroup”) is an affiliated company of Anthem that is licensed as a health maintenance organization in New Jersey; and

IT FURTHER APPEARING, that Anthem requires Field Sales Representatives to review Enrollment Forms with applicants for all Amerigroup Medicare Advantage Plans to ensure that the form is complete and the information provided is accurate; and

IT FURTHER APPEARING, that Anthem requires the Field Sales Representative enrolling an applicant in an Amerigroup Medicare Advantage Plan to stamp or write their unique agent number/code on the form; sign the application along with the application received date; and submit the form for processing; and

IT FURTHER APPEARING, that Respondent Illescas first became appointed by Amerigroup on November 11, 2013; and

IT FURTHER APPEARING, that Respondent Acevedocarrero first became appointed by Amerigroup on November 23, 2013; and

IT FURTHER APPEARING, that Respondent Huaman first became appointed by Amerigroup on November 1, 2014; and

IT FURTHER APPEARING, that on or about October 14, 2014, Anthem was notified of alleged selling activities by unqualified broker Respondent Huaman; and

IT FURTHER APPEARING, that on or about November 15, 2014, Anthem opened an investigation regarding allegations that Respondents Illescas and Acevedocarrero were each submitting applications for Amerigroup Medicare Advantage Plans in their own name that had been solicited by unqualified broker Respondent Huaman; and

IT FURTHER APPEARING, that between August 1, 2014 and October 31, 2014, there were twenty-two (22) applications that had been attributed to either Respondents Illescas or Acevedocarrero but found to have been initially solicited by Respondent Huaman; and

IT FURTHER APPEARING, that on or about November 10, 2014, a representative from Anthem contacted the applicants and inquired as to which representative enrolled them in the Amerigroup Medicare Advantage plan; and

IT FURTHER APPEARING, that twenty-one (21) applicants indicated that Respondent Huaman was the representative that enrolled them in their Amerigroup Medicare Advantage Plan even though either Respondents Illescas or Acevedocarrero were the brokers who submitted the applications;

IT FURTHER APPEARING, that on or about December 22, 2014, the Respondents were terminated by Anthem;

COUNT 1

IT FURTHER APPEARING, that Respondent Huaman solicited Amerigroup Medicare Advantage Plan applications before he was appointed by Amerigroup, in violation of N.J.S.A. 17:29B-3 and -4(2); and N.J.S.A. 17:22A-40a(2), (8), (16) and (17); and

COUNT 2

IT FURTHER APPEARING, that Respondents Illescas and Acevedocarrero submitted Amerigroup Medicare Plan Advantage applications that were solicited by Respondent Huaman before he was appointed by Amerigroup, in violation of N.J.S.A. 17:29B-3 and -4(2); and N.J.S.A. 17:22A-40a(2), (8), (16), and (17); and

COUNT 3

IT FURTHER APPEARING, that Respondents Illescas and Acevedocarrero accepted Amerigroup Medicare Advantage Plan applications from non-appointed producer Respondent Huaman and therefore failed to witness the signatures of numerous insureds prior to the submission of the applications to Amerigroup, in violation of N.J.S.A. 17:22A-40a(2), (8), (16), and (17); and N.J.A.C. 11:17A-4.2; and

NOW, THEREFORE, IT IS on this 20th day of SEPTEMBER, 2015;

ORDERED, that Respondents appear and show cause why their resident New Jersey insurance producer licenses should not be suspended or revoked and/or why they should not be subject to civil penalties by the Commissioner pursuant to N.J.S.A. 17:22A-40; and

IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess a fine of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation, pursuant to the provisions of N.J.S.A. 17:22A-40 and N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED, that Respondents appear and show cause why, in addition to any other penalty, they should not be required to reimburse the Department for the cost of the investigation and prosecution authorized pursuant to 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 licensees, and the Commissioner shall dispose of this matter in accordance with 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) 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 the 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.



Peter L. Hart
Director of Insurance