

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of) FINAL ORDER
Banking and Insurance, State of New Jersey,)
to fine, suspend and/or revoke the insurance)
producer license of Bernadette J. Jacobus)
f/k/a Bernadette J. Johansson, Reference No.)
1327818.)
)

TO: Bernadette J. Jacobus f/k/a Bernadette J. Johansson
12 Grosbeak Drive
Hackettstown, NJ 07840-3331

This matter, having been opened by the Commissioner of Banking and Insurance, State of New Jersey ("Commissioner"), upon information that Bernadette J. Jacobus, formerly known as Bernadette J. Johansson ("Jacobus" or "Respondent"), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is currently licensed as a non-resident insurance producer by the State of New Jersey pursuant to N.J.S.A. 17:22A-34(a), which license shall expire on January 31, 2025; 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 ("Producer Act"), the Producer Licensing regulations, N.J.A.C. 11:17-1.1 to -2.17, and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8, and as well as the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 to -30 ("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 this 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 this act or Title 17 of the Revised Statutes or 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)(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-40(a)(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(a)(3), it is a violation of the New Jersey Insurance Fraud Prevention Act ("Fraud Act") to conceal or knowingly fail to disclose the occurrence of an 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(a)(4)(b), it is also a violation of the Fraud Act to 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. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty, or may take any combination of actions for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any licensee violating the Producer Act and/or the Insurance Producer Standards of Conduct 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-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

WHEREAS, pursuant to N.J.S.A. 39:6A-15, in addition to any other penalty, fine or charge imposed pursuant to law, any person who is found by a court of competent jurisdiction to have violated any provision of the Fraud Act pertaining to automobile insurance shall not operate a motor vehicle over the highways of this State for a period of one year from the date of judgment; and

WHEREAS, the Commissioner issued Order to Show Cause No. E24-01 on January 8, 2024, alleging violations of the Producer Act and Fraud Act by Respondent as set forth below:

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that at all times relevant to this matter, Respondent was an insurance producer licensed in the State of New Jersey and is now known by the name of Bernadette J. Jacobus; and

I. JUNE 2016 APPLICATION

IT FURTHER APPEARING, that on or about June 16, 2016, Respondent applied for an automobile owner's insurance policy with New Jersey Manufacturers Insurance Company ("NJM"); and

IT FURTHER APPEARING, that Respondent applied for insurance coverage on the following three vehicles: a 2014 Chevy Cruze with a vehicle identification number ending in "9042"; a 2011 Jeep Wrangler with a vehicle identification number ending in "9660"; and a 2005 Chevy Equinox with a vehicle identification number ending in "6694" (collectively, "2016 Insured Vehicles"); and

IT FURTHER APPEARING, that at the time of application, Respondent did not own the 2011 Jeep Wrangler and said vehicle was registered to her husband as the legal owner; and

IT FURTHER APPEARING, that at the time of application and thereafter, Respondent's husband resided in Respondent's household and was a licensed driver who regularly operated the 2016 Insured Vehicles, but did not maintain his own separate automobile policy and; and

IT FURTHER APPEARING, that at the time of application and thereafter, Respondent's daughter was a licensed driver who regularly operated the 2016 Insured Vehicles and did not maintain her own separate automobile policy; and

IT FURTHER APPEARING, that in her insurance application, Respondent failed to disclose to NJM: that Respondent's husband owned the 2011 Jeep Wrangler and was a member of Respondent's household; that her husband and daughter were licensed drivers and regularly operated the 2016 Insured Vehicles; and that her husband and daughter did not have their own automobile insurance policies; and

IT FURTHER APPEARING, that effective June 18, 2016, NJM issued to Respondent an automobile insurance policy ("NJM Policy") with an endorsement identifying Respondent as the only owner and driver of the 2016 Insured Vehicles; and

IT FURTHER APPEARING, that NJM billed Respondent a twelve (12) month premium of \$2,785.00, a significantly lower premium than NJM would have calculated had Respondent provided complete and accurate information; and

II. AMENDMENTS AND RENEWALS OF NJM POLICY

January 2017 Amendment

IT FURTHER APPEARING, that Respondent amended her NJM Policy to remove insurance coverage from the 2005 Chevy Equinox and add coverage for a 2003 Toyota Matrix with a vehicle identification number ending in "2764"; and

IT FURTHER APPEARING, that as a result of said amendment, Respondent's NJM Policy then insured the following three vehicles: 2014 Chevy Cruze; 2011 Jeep Wrangler; and 2003 Toyota Matrix (collectively, "January 2017 Insured Vehicles"); and

IT FURTHER APPEARING, that at the time of said amendment and thereafter, Respondent's husband owned the 2011 Jeep Wrangler and resided in Respondent's household; Respondent's husband and daughter were licensed drivers and regularly operated the January 2017 Insured Vehicles; and Respondent's husband and daughter did not have their own automobile insurance policies; and

IT FURTHER APPEARING, that Respondent made no other changes or amendments to her existing NJM policy and did not disclose to NJM that her husband resided in Respondent's home and owned the 2011 Jeep, and that both her husband and daughter regularly operated the January 2017 Insured Vehicles but did not have separate insurance; and

IT FURTHER APPEARING, that as a consequence of her failure to disclose said information about her husband and daughter, Respondent's NJM Policy endorsement identified Respondent as the only owner and driver of the January 2017 Insured Vehicles and her coverage continued at a rate to which she was not entitled; and

March 2017 Amendment

IT FURTHER APPEARING, that on or about March 16, 2017, Respondent amended her NJM Policy to remove insurance coverage from the 2014 Chevy Cruze and add new coverage for a 2016 BMW X3 with a vehicle identification number ending in "5300"; and

IT FURTHER APPEARING, that as a result of said amendment, Respondent's NJM Policy then insured the following three vehicles: 2011 Jeep Wrangler; 2003 Toyota Matrix; and 2016 BMW X3 (collectively, "March 2017 Insured Vehicles"); and

IT FURTHER APPEARING, that at the time of said amendment and thereafter, Respondent's husband owned the 2011 Jeep Wrangler and resided in Respondent's household; and Respondent's husband and daughter were licensed drivers and regularly operated the March 2017 Insured Vehicles, but did not have their own automobile insurance policies; and

IT FURTHER APPEARING, that Respondent made no other changes or amendments to her existing NJM policy and did not disclose to NJM that her husband resided in Respondent's home and owned the 2011 Jeep, and that both her husband and daughter regularly operated the March 2017 Insured Vehicles but did not have separate insurance; and

IT FURTHER APPEARING, that as a consequence of her failure to disclose said information about her husband and daughter, Respondent's NJM Policy endorsement identified Respondent as the only owner and driver of the March 2017 Insured Vehicles and her coverage continued at a rate to which she was not entitled; and

May 2017 Renewal

IT FURTHER APPEARING, that on or about May 7, 2017, Respondent submitted to NJM a "Renewal Questionnaire" to continue insurance coverage on the March 2017 Insured Vehicles for the policy period of June 18, 2017 to June 18, 2018; and

IT FURTHER APPEARING, that the NJM Renewal Questionnaire contained the question: "Are there any other licensed/permitted drivers in your household?" and Respondent falsely answered "No" and did not disclose that her husband was a licensed driver in the household; and

IT FURTHER APPEARING, that the NJM Renewal Questionnaire contained a "Reminder" stating: "You must notify [NJM] immediately whenever a licensed/permitted driver becomes part of your household" and Respondent never disclosed that her husband was a licensed driver in the household; and

IT FURTHER APPEARING, that at the time of the renewal, Respondent did not disclose that the 2011 Jeep Wrangler was registered to her husband as the legal owner; and

IT FURTHER APPEARING, that NJM Renewal Questionnaire instructed Respondent to “[i]ndicate and clarify any vehicle/operator change”; and Respondent made no changes or clarifications regarding her husband and daughter’s ownership and/or operation of the March 2017 Insured Vehicles; and

IT FURTHER APPEARING, that as a consequence of Respondent’s failure to disclose said information about her husband and daughter, Respondent’s NJM Policy was renewed and had an endorsement identifying Respondent as the only owner and driver of the vehicles then insured under the NJM policy and her coverage continued at a rate to which she was not entitled; and

May 2017 Amendment

IT FURTHER APPEARING, that on or about May 20, 2017, Respondent amended her NJM Policy to remove insurance coverage from the 2011 Jeep Wrangler and add new coverage for a 2017 Chevy Silverado with a vehicle identification number ending in “5976”; and

IT FURTHER APPEARING, that as a result of said amendment, Respondent’s NJM Policy then insured the following three vehicles: 2003 Toyota Matrix; 2016 BMW; and 2017 Chevy Silverado (collectively, “May 2017 Insured Vehicles”); and

IT FURTHER APPEARING, that at the time of the amendment and thereafter, Respondent did not own the 2017 Chevy Silverado and said vehicle was registered to her husband as the legal owner; and

IT FURTHER APPEARING, that at the time of said amendment and thereafter, Respondent’s husband resided in Respondent’s household; and Respondent’s husband and daughter were licensed drivers and regularly operated the May 2017 Insured Vehicles, but did not have their own separate insurance policies; and

IT FURTHER APPEARING, that Respondent made no other changes or amendments to her existing NJM policy and did not disclose to NJM that her husband resided in Respondent’s home and owned the 2017 Chevy Silverado, and that both her husband and daughter regularly operated the March 2017 Insured Vehicles but did not have separate insurance; and

IT FURTHER APPEARING, that Respondent made no other changes or amendments to her existing NJM policy and did not disclose to NJM any of the information regarding her husband and daughter's ownership and/or operation of the May 2017 Insured Vehicles; and

IT FURTHER APPEARING, that as a consequence of her failure to disclose said information about her husband and daughter, Respondent's NJM Policy endorsement identified Respondent as the only owner and driver of the May 2017 Insured Vehicles, and her coverage continued at a rate to which she was not entitled; and

March 2018 Amendment

IT FURTHER APPEARING, that in March 2018, Respondent amended her NJM Policy to remove insurance coverage on the 2003 Toyota Matrix and add coverage on a 2001 Saturn SL1 with a vehicle identification number ending in "5394"; and

IT FURTHER APPEARING, that as a result of said amendment, Respondent's NJM Policy then insured the following three vehicles: 2016 BMW; 2017 Chevy Silverado; and 2001 Saturn SL1 (collectively, "March 2018 Insured Vehicles"); and

IT FURTHER APPEARING, that Respondent made no other changes or amendments to her existing NJM policy and did not disclose to NJM: that Respondent's husband owned the 2017 Chevy Silverado and resided in the household, and that her husband and daughter were both licensed drivers and regularly operated the March 2018 Insured Vehicles but did not have separate insurance policy; and

IT FURTHER APPEARING, that as a consequence of her failure to disclose said information about her husband and daughter, Respondent's NJM Policy endorsement identified Respondent as the only owner and driver of the March 2018 Insured Vehicles, and her coverage continued at a rate to which she was not entitled; and

April 2018 Renewal

IT FURTHER APPEARING, that on or about April 30, 2018, Respondent submitted to NJM a "Renewal Questionnaire" to continue the insurance coverage on the March 2018 Insured Vehicles for the policy period of June 18, 2018 to June 18, 2019; and

IT FURTHER APPEARING, that the NJM Renewal Questionnaire contained the question: "Are there any other licensed/permitted drivers in your household?" and Respondent falsely answered "No" and not disclose that her husband was a licensed driver in the household; and

IT FURTHER APPEARING, that the NJM Renewal Questionnaire also contained a "Reminder" stating: "You must notify [NJM] immediately whenever a licensed/permitted driver becomes part of your household" and Respondent never disclosed that her husband was a licensed driver in the household; and

IT FURTHER APPEARING, that NJM Renewal Questionnaire also instructed Respondent to "[i]ndicate and clarify any vehicle/operator change"; and Respondent made no changes or clarifications regarding her husband and daughter's operation of the March 2018 Insured Vehicles; and

IT FURTHER APPEARING, that at the time of the renewal, Respondent did not disclose that she did not own the 2017 Chevy Silverado but that said vehicle was registered to her husband as the legal owner; and

IT FURTHER APPEARING, that as a consequence of Respondent's failure to disclose said information about her husband and daughter, Respondent's NJM Policy was renewed and had an endorsement identifying Respondent as the only owner and driver of the vehicles then insured under the NJM policy and her coverage continued at a rate to which she was not entitled; and

September 2018 Amendment

IT FURTHER APPEARING, that on or about September 29, 2018, Respondent amended her NJM Policy to remove insurance coverage from the 2001 Saturn SL1 and added new coverage for a 2015 Mazda with a vehicle identification number ending in "3994"; and

IT FURTHER APPEARING, that as a result of said amendments, Respondent's NJM Policy then insured the following three vehicles: 2016 BMW; 2017 Chevy Silverado; and 2015 Mazda (collectively, "September 2018 Insured Vehicles"); and

IT FURTHER APPEARING, that several days after adding insurance coverage for the 2015 Mazda, Respondent transferred ownership of said vehicle to her daughter and said vehicle was then registered to her daughter as the legal owner; and

IT FURTHER APPEARING, that Respondent made no other changes or amendments to her existing NJM policy and did not disclose to NJM: that Respondent's husband resided in the household and owned the 2017 Chevy Silverado, that Respondent's daughter owned the 2015 Mazda, and that her husband and daughter were both licensed drivers without separate insurance policies and both regularly operated the September 2018 Insured Vehicles; and

IT FURTHER APPEARING, that as a consequence of Respondent's failure to disclose said information about her husband and daughter, Respondent's NJM Policy endorsement identified Respondent as the only driver of the September 2018 Insured Vehicles and her coverage continued at a rate to which she was not entitled; and

III. POLICY TERMINATION

IT FURTHER APPEARING, that on or about August 23, 2018, Respondent's daughter was involved in an accident while driving the 2001 Saturn SL1; and

IT FURTHER APPEARING, that NJM investigated said accident and determined that Respondent had made misrepresentations and failed to disclose material information in connection with applying for, amending, and renewing her NJM policy; and

IT FURTHER APPEARING, that on or about November 15, 2018, NJM advised Respondent, via letter, that her NJM policy was being terminated effective December 6, 2018 as a result of Respondent's misrepresentations and failure to disclose material information; and

COUNT ONE

IT FURTHER APPEARING, that Respondent engaged in fraudulent conduct in connection with applying for, amending and renewing her NJM Policy in that Respondent failed to disclose to NJM the following material information: (1) Respondent's husband was a licensed driver who resided in Respondent's household; (2) Respondent's husband was the legal owner of the 2011 Jeep Wrangler and 2017 Chevy Silverado; (3) Respondent's daughter owned the 2015 Mazda; and (4) Respondent's husband and daughter regularly operated vehicles insured under Respondent's NJM Policy and did not maintain their own separate automobile policy, in violation of N.J.S.A. 17:22A-40(a)(2) and (16), N.J.S.A. 17:33A-4(a)(3) and N.J.S.A. 17:33A-4(a)(4)(b); and

IT FURTHER APPEARING, that each instance of failure to disclose and/or misrepresentation is a separate violation; and

IT FURTHER APPEARING, that as set forth in the Certification of Dakar Ross ("Ross Cert."), attached as Exhibit A, ¶¶3-4, Jacobus was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to Order to Show Cause E24-01; and

IT FURTHER APPEARING, that as set forth in Ross Cert., ¶¶5-7, Jacobus was duly served with Order to Show Cause E24-01 by certified mail, RRR, and regular mail sent to the address listed on this Final Order in accordance with N.J.A.C. 11:17D-2.1(a)(3); and

IT FURTHER APPEARING, that as set forth in Ross Cert., ¶8, Jacobus failed to appear, respond or otherwise defend against Order to Show Cause E24-01, and has waived her rights to a hearing, and therefore the violations in the OTSC are deemed admitted pursuant to N.J.A.C. 11:17D-2.1(b)(1); and

IT FURTHER APPEARING, that in Kimmelman v. Henkels & McCoy, Inc., 108 N.J. 123 (1987), the Supreme Court established seven factors to be considered in determining the imposition of civil fines in administrative proceedings ("Kimmelman Factors"); and

IT FURTHER APPEARING, that the seven Kimmelman Factors are as follows: (1) the good or bad faith of the defendant; (2) defendant's ability to pay a civil fine; (3) the amount of profits obtained from the illegal activity; (4) the injury to the public; (5) the duration of the misconduct; (6) the existence of criminal or treble damages actions; and (7) the past violations of defendant; and

IT FURTHER APPEARING, that the Kimmelman Factors apply to this matter as follows: (1) Respondent showed bad faith by misrepresenting and failing to disclose to material information in an application, amendments and renewals of an automobile insurance policy; (2) Respondent

has not provided any evidence of his inability to pay a civil fine; (3) Respondent obtained insurance policies and/or premium rates to which she was not entitled or would not have received had she been truthful; (4) there was injury to NJM because Respondent's fraudulent conduct prevented NJM from accurately assessing its insurance risk and setting an insurance premium at the appropriate market rate; (5) Respondent's violations resulted from a pattern of fraudulent conduct that occurred over a period of three years; (6) no criminal or treble damages actions have been filed against Respondent regarding her illegal activity; and (7) Respondent has no prior violations; and

NOW, THEREFORE, IT IS on this 20th day of January 2026,

ORDERED, that the charges contained in Count One of Order to Show Cause E24-01 are deemed admitted by Respondent Bernadette J. Jacobus f/k/a Bernadette J. Johansson, pursuant to N.J.A.C. 11:17D-2.1(b)(1); and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-40, and N.J.A.C. 11:17D-2.1(b)(2), the non-resident insurance producer license of Bernadette J. Jacobus is hereby **REVOKED** effective upon the execution of this Final Order by the Commissioner; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:33A-5(a) and (c), Jacobus shall be responsible for the payment of civil penalties to the Department of Banking and Insurance, Bureau of Fraud Deterrence, in the total amount of \$10,000.00 for violations of the Fraud Act cited in Order to Show Cause E24-01; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:33A-5.1, Jacobus shall be responsible for the payment of a surcharge to the Department of Banking and Insurance, Bureau of Fraud Deterrence, in the amount of \$1,000.00; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45(c), Jacobus shall be responsible for the payment of civil penalties to the Division of Insurance, Office of Enforcement and Consumer Protection Services, in the total amount of \$10,000.00 for the Producer Act violations cited in Order to Show Cause E24-01; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45(c), Jacobus shall be responsible for the reimbursement to the Department of the costs of investigation totaling \$900.00. A true and exact copy of the Certification of Daxesh Patel, Department of Banking and Insurance Investigator, is attached hereto as Exhibit B. The Commissioner has reviewed the investigative costs application and finds the amount of time to be reasonable; and

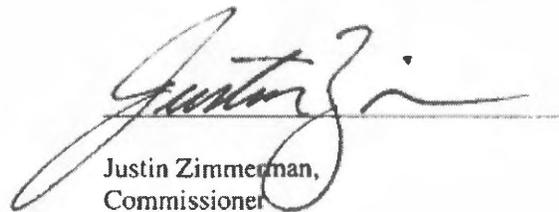
IT IS FURTHER ORDERED, that pursuant to N.J.A.C. 11:16-7.9(c), Jacobus shall be responsible for the payment to the Department of attorneys' fees in the total amount of \$10,000.00. A true and exact copy of the Certification of Dakar Ross is attached hereto as Exhibit A. The Commissioner has reviewed the attorneys' fee application and finds the amount of time to be reasonable; and

IT IS FURTHER ORDERED, that Jacobus shall pay the above penalties and costs totaling \$31,900.00 to the Commissioner of Banking and Insurance, State of New Jersey, P.O. Box 329, Trenton, New Jersey 08625, Attention: Eugene Shannon, Chief of Investigations, by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten days from the date of service of this Order; and

IT IS FURTHER ORDERED, that in the event full payment of the penalty and costs is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties, with post-judgment interest, in accordance with the Penalty Enforcement Law, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED, that the civil penalty in this Final Order is imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the protection of the public health, safety and welfare, and is not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED, that the provisions of this Final Order represent a final agency decision and constitute a final resolution of the allegations contained in Order to Show Cause No. E24-01.



Justin Zimmerman,
Commissioner