

ORDER NO. E23-13

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) CONSENT
CoverWallet Inc., Reference No. 1603889) ORDER

To: CoverWallet Inc. Margaret M. Reff
165 Broadway 7910 Lehigh Crossing Road
Suite 3201 Suite 1
New York, NY 10006 Victory, NY 14564

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that CoverWallet Inc. (“Respondent”), may have violated the insurance laws of the State of New Jersey; and

WHEREAS, Margaret Reff (“Reff”) is currently licensed as a nonresident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-34a; and

WHEREAS, CoverWallet Inc. is currently a nonresident business entity insurance producer licensed in the State of New Jersey pursuant to N.J.S.A. 17:22A-34a; and

WHEREAS, Reff is the Designated Responsible Licensed Producer of CoverWallet Inc.; 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 to -48, (“Producer Act”), the Producer

Licensing regulations, N.J.A.C. 11:17-1.1 to -2.17 (“Producer Regulations”) and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a, the Commissioner may place on probation, suspend, revoke or refuse to renew an insurance producer’s license, and may levy a civil penalty for a violation of the Producer 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(4), an insurance producer shall not improperly withhold, misappropriate or convert any monies or properties received in the course of doing insurance business; 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.A.C. 11:17C-2.2(a), all premium funds shall be remitted to the insurer or other insurance producer, as applicable, within five business days after receipt of the funds; 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, the Respondent received insurance premium from G.S., a New Jersey insured, on or about April 6, 2020, for the renewal of a business owner’s policy for the policy period of April 26, 2020 to April 26, 2021; and

WHEREAS, the Respondent failed to remit the insurance premium causing the business owner's policy to be cancelled retroactive to April 26, 2020 due to non-payment, in violation of N.J.S.A. 17:22A-40a(2),(4) and (8), N.J.A.C. 11:17C-2.2(a) and N.J.A.C.11:17A-4.10; and

IT FURTHER APPEARING, that the Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"); and
- 3) Has asserted that the violations cited in this Consent Order were not willful; and

WHEREAS, cause does exist under N.J.S.A. 17:22A-40a and N.J.S.A. 17:22A-45c to impose a fine; and

WHEREAS, the Respondent has waived its right to a hearing on the aforementioned violations and consents to the payment of a fine in the amount of forty-five thousand dollars (\$45,000.00); and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

NOW, THEREFORE, IT IS on this 13th day of April, 2023

ORDERED AND AGREED, that the Respondent pay a penalty in the amount of forty-five thousand dollars (\$45,000.00) to the Department; and

IT IS FURTHER ORDERED AND AGREED, that said penalty, shall be paid by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury" due immediately upon the execution of this Consent Order by the Respondent; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order, together with the payment of \$45,000.00 shall be remitted to:

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

and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represents a final agency decision and constitutes a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED, that the Respondent shall cease and desist engaging in the conduct that gave rise to this Consent Order.



Marlene Caride
Commissioner

Consented to as to Form,
Entry and Content:

By: 
Margaret M. Reff, Designated Responsible
Producer at CoverWallet Inc.

Date: 3/28/2023