

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,
suspend and/or revoke the insurance license of
Ellen B. Edwards, Reference No. 1628591.

FINAL ORDER

TO: Ellen B. Edwards
250 Beachway Ave, Unit 607
Keansburg, NJ 07734-1881

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Ellen B. Edwards (“Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, at all relevant times, Respondent was licensed as a resident individual insurance producer in the State of New Jersey pursuant to N.J.S.A.17:22A-32(a), until her license expired on December 31, 2018; 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”) and 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 the Producer 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 the Producer Act of 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)(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-40(a)(8), an insurance producer shall not use any fraudulent, coercive, or dishonest practices, or demonstrate incompetence or untrustworthiness in the conduct of insurance business; 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. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(a)(1), it is a violation of the Fraud Act to present or cause to be presented any written or oral statement as part of, or in support of, a claim for payment or other benefit pursuant to 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-4(a)(3), no person shall conceal or knowingly fail to disclose the occurrence of any 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, on June 6, 2023, the Commissioner issued Order to Cause No. E23-25 (“OTSC”), alleging that Edwards violated various New Jersey insurance laws as set forth in the following:

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that on November 23, 2016, Respondent became a licensed insurance producer in the State of New Jersey; and

IT FURTHER APPEARING, that on or about June 18, 2017 at approximately 3:38 p.m., Respondent’s daughter “C.E.” sought treatment for an injury that occurred earlier that day; and

IT FURTHER APPEARING, that on or about June 18, 2017 at 7:11 p.m., Respondent submitted an application for an Accident Protector insurance policy to Combined Insurance Company of America (“Combined”) for C.E.; and

IT FURTHER APPEARING, that on or about June 20, 2017, C.E. filed a claim with Combined for insurance benefits for lost wages under her insurance policy with Combined for an injury which she falsely reported as having occurred on June 18, 2017; and

IT FURTHER APPEARING, that on or about July 5, 2017, during a phone call with a Combined representative, C.E. falsely stated that the injury occurred about four hours after signing her application; and

IT FURTHER APPEARING, that on or about July 5, 2017, during a second phone call with a Combined representative, C.E. falsely stated that she had no relation to Respondent; and

IT FURTHER APPEARING, that on or about July 5, 2017, during a phone call with a Combined representative, Respondent falsely stated that she first met C.E. on June 17, 2017 while C.E. was working as a bartender. Respondent further falsely stated that she met with C.E. the morning of June 18, 2017 to complete the application; and

IT FURTHER APPEARING, that on or about July 5, 2017, during a second phone call with a Combined representative,

Respondent admitted that C.E. was her daughter and that she submitted the application with the knowledge that the injury had already occurred and knowingly continued the misrepresentations in order to have the injury claim covered; and

IT FURTHER APPEARING, that on or about July 18, 2017, Combined denied C.E.'s claim because the injury occurred prior to the inception of the policy; and

COUNT ONE
(Producer Act)

IT FURTHER APPEARING, that on June 18, 2017, Respondent submitted a fraudulent insurance policy application by not disclosing C.E.'s injury earlier that day, and then during subsequent phone calls with Combined, concealing that C.E. was her daughter, and falsely stating that she first met C.E. on June 17, 2017 while C.E. was working as a bartender and that she met with C.E. the morning of June 18, 2017 to complete the application, in violation of N.J.S.A. 17:22A-40(a)(2), (5), (8), and (16); and

COUNT TWO
(Fraud Act)

IT FURTHER APPEARING, that by failing to disclose C.E.'s prior injury on June 18, 2017, when submitting the application for insurance to Combined, and by not disclosing her relationship with C.E. during subsequent conversations with Combined, Respondent knowingly failed to disclose the occurrence of an event that affected her initial or continued entitlement to an insurance benefit or payment, in violation of N.J.S.A. 17:33A-4(a)(3); and

IT FURTHER APPEARING, that Respondent by making false statements to Combined about her relationship to C.E. in support of the insurance claim, specifically that that she first met C.E. on June 17, 2017 while C.E. was working as a bartender and that she met with C.E. the morning of June 18, 2017 to complete the application, Respondent presented or caused to be presented written and oral statements in support of a claim or benefit pursuant to an insurance policy knowing that C.E.'s and her own statements to Combined contained false and misleading information that were material to C.E.'s claim, in violation of N.J.S.A. 17:33A-4(a)(1); and

IT FURTHER APPEARING that Edwards was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to the OTSC; and

IT FURTHER APPEARING that as set forth in the Certification of Jessica Lugo, attached as Exhibit A, under a cover letter dated June 7, 2023 the OTSC was sent by certified and regular mail to the last known residential address of Edwards at 250 Beachway Ave, Unit 607, Keansburg, NJ 07734-1881; and

IT FURTHER APPEARING that the mailing of the OTSC by regular and certified mail to the residential address of Edwards, according to files maintained by the Department, and the regular mail not returned and the certified mail being unclaimed, constitutes lawful service, pursuant to N.J.A.C. 11:17D-2.1(a)3; and

IT FURTHER APPEARING that Edwards failed to provide written responses to the charges contained in the OTSC within 20 days as provided by N.J.A.C. 11:17D-2.1(d)(1), and therefore has waived her rights to a hearing to contest these charges and the charges deemed admitted, pursuant to N.J.A.C. 11:17D-2.1(b)(1);

NOW, THEREFORE, IT IS on this 7th day of August, 2024,

ORDERED, that the charges contained in the OTSC are deemed admitted by Edwards due to her failure to respond to the charges, 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 insurance producer license of Edwards is **REVOKED** effective upon the execution of this Final Order; and

IT IS FURTHER ORDERED, that the revocation of Respondent's insurance producer license 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

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 the OTSC.



Justin Zimmerman
Acting Commissioner