

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
Angelo Maimone and eSurranty, Inc.

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ORDER TO SHOW CAUSE

TO: Angelo Maimone
19060 SW 128th Avenue
Miami, FL 33156

eSurranty, Inc.
c/o Angelo Maimone
13155 SW 134th Street #104
Miami, FL 33186

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Angelo Maimone (“Maimone”) and eSurranty, Inc. (“eSurranty”) (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 Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 (“Producer Act”) and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and

WHEREAS, Maimone is not currently licensed, and has never been licensed, as an insurance producer in New Jersey; and

WHEREAS, eSurranty is a corporation incorporated in Florida on January 2, 2013, which is not currently licensed, and has never been licensed, as a business entity insurance producer in New Jersey; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed for that line of authority in accordance with the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(2), a person shall not violate any insurance laws, or violate any regulation, subpoena or order of the commissioner of another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(4), a person 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-40(a)(8), a person 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. 11:17A-1.3(a), except as provided in N.J.A.C. 11:17B-2.1(b) or (e), no person shall act as an insurance producer or maintain or operate any office in this State for the transaction of the business of an insurance producer, or receive any commission, brokerage fee, compensation or other consideration for services rendered as an insurance producer, without first obtaining a license from the Commissioner granting authority for the kind of insurance transacted; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(b), unless otherwise specifically provided by the Producer Act, any person who solicits, negotiates or sells contracts of insurance in New

Jersey shall be considered to be transacting the business of insurance in New Jersey so as to require licensure as an insurance producer; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(c), engaging in a single act or transaction of the business of an insurance producer, or holding oneself out to the public or an insurance producer as being so engaged, shall be sufficient proof of engaging in the business of an insurance producer so as to require licensure pursuant to the Producer 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. 17:22A-45(c), any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense. Each transaction or statutory violation shall constitute a separate offense. Moreover, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

FACTUAL ALLEGATIONS

IT APPEARING, that at all relevant times Maimone was the owner and president of eSurranty; and

IT FURTHER APPEARING, that eSurranty owned and/or controlled the website eSurranty.com ("Website"); and

IT FURTHER APPEARING, that the content of the Website was available to all residents of the State of New Jersey; and

IT FURTHER APPEARING, that on its Website, eSurranty advertised third-party coverage for smart phones, smart watches and tablets, which covered cracks, breaks, liquid damage, mechanical malfunctions, loss, theft and non-repairable damage; and

IT FURTHER APPEARING, that as part of its advertised coverage, eSurranty offered loaner smart phones should the covered smart phone need to be repaired; and

IT FURTHER APPEARING, that the Website included a “How To” section which provided consumers instructions for cancelling coverage through individual cell phone carriers (e.g., Verizon, Sprint, AT&T, and T-Mobile) and obtain cheaper coverage with eSurranty; and

IT FURTHER APPEARING, that the Website also contained the following disclaimer:

“eSurranty is not an insurance company and does not sell insurance. The word insurance is used for search engine listing purposes only. We sell service plans that are administered through third-party companies that are licensed to sell these services. We do not offer services in all states and some states may not be listed on our site. Should you purchase coverage and reside in a state that we do not offer services, we will promptly refund your payment and send you notification.”; and

IT FURTHER APPEARING, that between 2016 and 2019, there were a total of seven (7) complaints against eSurranty by New Jersey residents; and

COMPLAINT OF I.S.

IT FURTHER APPEARING, that on or about January 1, 2017, I.S. paid eSurranty \$66 for a cell phone insurance policy; and

IT FURTHER APPEARING, that in March 2017, I.S. submitted a claim to eSurranty, paid \$99 to eSurranty for a loaner cell phone, and sent his insured phone to eSurranty for repair; and

IT FURTHER APPEARING, that I.S.’s insured cell phone was never fixed nor returned to him, nor was he refunded any money; and

COMPLAINT OF M.A.

IT FURTHER APPEARING, that in September 2016, M.A. paid eSurranty \$451 for a cell phone insurance policy; and

IT FURTHER APPEARING, that in December 2017, M.A. submitted a claim to eSurranty and paid an additional \$73.74; and

IT FURTHER APPEARING, that in January 2018, M.A. paid \$99 to eSurranty for a loaner cell phone; and

IT FURTHER APPEARING, that eSurranty thereafter stopped communicating with M.A.; and

COMPLAINT OF P.M.

IT FURTHER APPEARING, that P.M. purchased a policy and then requested a refund of his premium from eSurranty, however, he never received a refund or any communication from eSurranty; and

COMPLAINT OF E.P.

IT FURTHER APPEARING, that between July 2016 and May 2017, E.P. purchased an insurance policy from eSurranty, submitted a claim and paid the deductible, and sent his phone to eSurranty for repair; and

IT FURTHER APPEARING, that eSurranty did not return E.P.'s cell phone and E.P. never received any further communication from eSurranty; and

COMPLAINT OF J.S.

IT FURTHER APPEARING, that in November 2015 J.S. purchased an insurance policy from eSurranty; and

IT FURTHER APPEARING, that in September 2016 J.S. submitted a claim to eSurranty for a lost phone and paid the requisite deductible to eSurranty; and

IT FURTHER APPEARING, that J.S. never received any further communication from eSurranty; and

COMPLAINT OF E.S.

IT FURTHER APPEARING, that E.S. purchased insurance from eSurranty and submitted a claim for repair of her cell phone; and

IT FURTHER APPEARING, that E.S. paid to eSurranty a deductible and sent her cell phone to eSurranty, but her cell phone was not returned to her; and

COMPLAINT OF P.R.Y.

IT FURTHER APPEARING, that on March 20, 2017, P.R.Y. filed a claim with eSurranty and paid the deductible, but received no response from eSurranty; and

COUNT ONE

IT FURTHER APPEARING, that Respondents provided, sold, and/or offered to sell cell phone insurance to residents of New Jersey without having valid insurance producer licenses in New Jersey to do so, constituting violations of N.J.S.A. 17:22A-29, N.J.S.A. 17:22A-40(a)(2) and (8), and N.J.A.C. 11:17A-1.3(a); and

IT FURTHER APPEARING, that each transaction in violation of the provisions cited above shall constitute a separate violation of the Producer Act; and

COUNT TWO

IF FURTHER APPEARING, that on at least seven occasions, Respondents improperly withheld, misappropriated or converted money and property received in connection with claims

submitted by New Jersey consumers between 2016 and 2019, constituting violations of N.J.S.A. 17:22A-40(a)(2), (4) and (8); and

IT FURTHER APPEARING, that each transaction in violation of the provisions cited above shall constitute a separate violation of the Producer Act; and

NOW, THEREFORE, IT IS on this 31st day of July, 2024,

ORDERED, that Respondents appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act and order Respondents to pay restitution of moneys owed to any person, pursuant to the provisions of N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondents appear and show cause why they should not be required to reimburse the Department for the cost of the investigation and prosecution pursuant to N.J.S.A. 17:22A-45(c); 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 Respondents, 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. A copy of the request

for a hearing shall also be sent to Deputy Attorney General Chandra M. Arkema at: Division of Law, P.O. Box 117, Trenton, New Jersey 08625. 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 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.



Justin Zimmerman
Acting Commissioner