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## Millions in fines, reimbursements highlight New York regulators' 2008 annual report

By [Keith L. Martin](#)

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Insurers paid more than \$235 million as a result of New York regulator's action in 2008.

In his 2008 Annual Report, New York State Insurance Superintendent Eric Dinallo says life insurers refunding or crediting policyholders more than \$69 million for various violations, refunds, fines and penalties. Health insurers paid more than \$61 million for similar actions, while property-casualty insurers paid just over \$2 million during 2008.



Eric Dinallo

The state's insurance department also noted \$36.5 million resulted from fraud investigations, including \$22.9 million in

court-ordered restitution, \$2.2 million in penalties, \$10 million refunds to New York State and an estimated industry savings of \$1.5 million.

Complaint investigations by the department's consumer services bureau lead to almost 250 insurance licenses being revoked or suspended and 1,330 companies, agents or brokers being fined a total of \$1.8 million.

"Especially in this difficult economy, we will keep working to make sure New Yorkers get the protection they deserve," Dinallo said.

Highlighting its role in protecting consumers, Dinallo said his report outlines the agency's steps to "keep the [insurance] industry vital."

The report highlights efforts by regulators to refund or credit more than \$217 million to state residents over the past two years.

"We are here to protect policyholders," Dinallo said in a statement. "Consumer protection has been at the heart of the insurance department's mission since William Barnes was named the first superintendent 150 years ago. A century and a half after its founding, the department's commitment to consumers is unsurpassed. As these numbers note, while our daily work for consumers may not make the front pages, it is just as important as what we have done to keep the industry vital during these difficult times."

The 2008 annual report marks the department's 150th issuing of the document. Established by the legislature in 1859, the insurance department is believed to be the oldest independent regulatory agency in the United States.

Among the consumer protection efforts noted in the report are the creation of a Senior Protection Unit to focus on the needs of older residents, the creation of a Bureau of Community Affairs to provide active outreach and insurance education, and requiring insurers to afford benefits to legally married couples of the same sex just as they do other legally married couples.

Dinallo noted that the report also highlights past and future legislative efforts and documents the department's activities, including its work to help avert the collapse of American Insurance Group and the superintendent's role in urging continued state-based insurance regulation.

"State insurance regulators serve a vital and relevant role in overseeing and fostering a vibrant, well-functioning and competitive insurance marketplace with strong state-based consumer protections," Dinallo said. "This coordinated, national system of state-based insurance supervision continues to meet the needs of the modern financial marketplace while effectively protecting individual and commercial policyholders."

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