



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
INSURANCE DIVISION
DCCA News Release

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Insurance Producer Fined \$150,000; Criminal Charges Pending

(Honolulu) – The State’s Insurance Division has levied a \$150,000 fine against Terry T. Seguritan and revoked his insurance producer’s license for defrauding the public by collecting money and issuing identification cards for motor vehicle policies that did not exist, Insurance Commissioner J.P. Schmidt announced. Commissioner Schmidt also confirmed that based on the findings of an investigation conducted by the Insurance Fraud Investigation Branch, an Oahu Grand Jury panel indicted Seguritan on twelve counts of Theft in the Second Degree, nine counts of Theft in the Third Degree, fifteen counts of Unlawful Use of Motor Vehicle Insurance Identification Cards, and one count of Ownership or Operation of Business by Certain Persons Prohibited.

In 2002, Seguritan issued quotes for motor vehicle insurance policies to individuals who purchased new vehicles. He asked the individuals to complete an insurance application, collected the initial premium installment, and issued either a faxed copy or original motor vehicle insurance card. Seguritan kept the money he collected and did not submit the insurance application to the insurance company, leaving the individuals without valid insurance policies.

There are over 26 known victims of Seguritan’s scheme, but there may be more individuals who have not discovered that they do not have a valid insurance policy. Several victims discovered that their policies were not valid when they filed a claim after an accident, tried to obtain a permanent ID card, or tried to obtain a copy of their policy and were told that their policy did exist.

(more)

“These are serious improprieties for which I have zero tolerance,” stated Commissioner Schmidt. “Insurance agents are in a position of trust. Consumers must feel absolute assurance that their agent will act with care and the purest integrity in all their affairs.”

Consumers who purchased policies from Terry Seguritan and suspect there are problems with the policies should contact the Compliance and Enforcement Branch of the Insurance Division at 586-2790.

In order to protect against insurance scams, Commissioner Schmidt recommends that consumers deal with licensed insurance producers and licensed insurance companies and pay insurance premiums via check made out to the insurance company directly.

“The vast majority of insurance agents are well trained professionals, who are concerned and faithful to their fiduciary duties. But, there are individuals out there who seek personal benefit by illegally preying on the unsuspecting,” Schmidt said. Consumers may confirm the licensing status of producers and insurance companies at the Insurance Division’s website www.hawaii.gov/dcca/ins or by contacting the Insurance Division at 586-2790. They can also check complaint history and disciplinary actions taken by contacting the Insurance Division.

Commissioner Schmidt also notes that fraud inflates the cost of everyone’s insurance. “A few bad actors are costing each of our hard working families an additional \$165 to cover losses from fraud,” added Schmidt. To anonymously report motor vehicle related insurance fraud on Oahu, consumers can call the Insurance Fraud Hotline at (808) 587-7416.

The Hawaii Insurance Division oversees the insurance industry in Hawaii; issues licenses, examines the fiscal condition of Hawaii-based companies; reviews rate and policy filings; and investigates insurance related complaints and prosecutes motor vehicle insurance fraud cases.

For more information, contact Paul Yuen at (808) 586-2790.

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