



\$750,000 Liquidation Settlement

Commissioner of Banking & Insurance v. Aon Corp.: An insurance broker agreed on Oct. 8 to pay the state \$750,000 to settle a claim that it charged improper fees to Home State Insurance Co. before the insurer was declared insolvent.

The Mercer County complaint against Intere and Minet Re brokers of Boston, later acquired by Aon Corp., alleged the companies breached their duty to Home State by overcharging it for brokering reinsurance deals from 1994 until 1997, when regulators took it over.

The state's lawyers, **David Mazie** and **David Freeman** of **Mazie Slater Katz & Freeman** in Roseland, say the complaint alleged that the overcharges consisted of payments to what was ostensibly a companion broker, **Aspen Intermediaries**. The state says Aspen was a shell company created by Home State's officers.

A complaint against the officers settled for \$2 million several years ago, Freeman says.

Defense lawyer **Michael Kearns** of **Hoagland, Longo, Moran, Dunst & Doukas** in New Brunswick says Aon denied there were improprieties and insisted the sharing of commissions was proper and above board. He says a punitive damage claim was dismissed on summary judgment.

— *By Henry Gottlieb*