

American Arbitration Association
New York No-Fault Arbitration Tribunal

In the Matter of the Arbitration between:

LEVRON INC d/b/a Titan Pharmacy
(Applicant)

- and -

Allstate Fire & Casualty Insurance Company
(Respondent)

AAA Case No. 17-25-1404-5679

Applicant's File No. SSA25-116661

Insurer's Claim File No. 0729228510

NAIC No. 29688

ARBITRATION AWARD

I, Felix Papadakis, the undersigned arbitrator, designated by the American Arbitration Association pursuant to the Rules for New York State No-Fault Arbitration, adopted pursuant to regulations promulgated by the Superintendent of Insurance, having been duly sworn, and having heard the proofs and allegations of the parties make the following **AWARD**:

Injured Person(s) hereinafter referred to as: Assignor/IP

1. Hearing(s) held on 12/11/2025
Declared closed by the arbitrator on 12/11/2025

Steve Super, Esq. from Super Associates P.C. participated virtually for the Applicant

Angela Venetsanos, Esq. from Law Offices Of Richard Schoenberg participated virtually for the Respondent

2. The amount claimed in the Arbitration Request, **\$1,809.76**, was AMENDED and permitted by the arbitrator at the oral hearing.

The claim is amended to \$605.92.

Stipulations WERE NOT made by the parties regarding the issues to be determined.

3. Summary of Issues in Dispute

This matter is defended on unanswered verification-120 day rule.

The date of accident was 9/16/23.

The date of service was 11/8/24.

There is no medical necessity defense however as a point of reference, the IP was female, with initials AC.

The Respondent must prove certain elements of their defense in this forum.

The services were pharmaceuticals.

4. Findings, Conclusions, and Basis Therefor

I have reviewed the evidence herein and this decision is final as to the issues before me.

This issue has its crux in the process of verification.

Here is the relevant case law on verification:

"Just as the insurer has a duty to speedily process claims, the claimant for benefits has a duty of cooperation in supplying information **reasonably requested** by the insurer to process the claim." *Dilon Medical Supply Corp. v. Travelers Ins. Co.*, 7 Misc. 3d 927, 796 N.Y.S.2d 872 (Civ. Ct. Kings Co. 2005). Applicants and/or Assignors "cannot simply rest on its laurels and ignore a verification request.

Since the [Applicant/Assignor] desires to be paid the onus is on it to ensure that the [Respondent] has all of the required information to verify and pay the claim." *D&R Medical Supply, Inc. v. Clarendon Nat. Ins. Co.*, 22 Misc. 3d 1127(a), 881 N.Y.S.2d 362 (Civ. Ct. Kings Co. 2009). "Any confusion on the part of [an applicant/assignor] as to what was being sought should [be] addressed by further communication, not inaction." *Westchester County Medical Center v. New York Central Mut. Ins. Co.*, 262 A.D. 553, 692 N.Y.S.2d 665 (2d Dept 1999).

If a Plaintiff deems a Verification Request to be defective and or unreasonable, it is incumbent on that Plaintiff to convey that information to the Defendant and to state the reasons thereof, thereby giving the Defendant the opportunity to respond accordingly.

The [insurer] should not be put in a position to second guess the reason or reasons why the [claimant] has failed to respond to the request." *Canarsie Chiropractic, P.C. v. State Farm Mut. Auto. Ins. Co.*, 27 Misc. 3d 1228A, 911 N.Y.S.2d 691 (Civ. Ct. Kings Co. Silvia Ash, J. May 25, 2010).

A failure to raise an objection to the request will even result in a waiver of the defense even if the notices were defective and unreasonable. *Canarsie Chiropractic, P.C. v. State Farm Mut. Auto. Ins. Co.*, 27 Misc. 3d 1228A, 911 N.Y.S.2d 691 (Civ. Ct. Kings Co. Silvia Ash, J. May 25, 2010). There is no provision of the No Fault Regulations which allow a claimant or insurance company to ignore a verification request or response. In fact, there is ample case law which provides that neither party may ignore

communications from the other without risking its chance to prevail in the matter *Media Neurology, P.C. v. Countrywide Ins. Co.*, 21 Misc. 3d 1101(A); *Westchester County Medical Center v. NY Central Mutual Fire Ins. Co.*, 262 AD2d 553.

Once arbitration gets underway, its conduct is not governed by the substantive or evidentiary rules which commonly prevail in courts of law; rather, the constraints on the arbitral authority are those measured by the bounds of rationality. *Matter of Board of Education of Norwood-Norfolk Central School District v. Hess*, 49 N.Y.2d 145, 152, 424 N.Y.S.2d 389,391 (1979).

ANALYSIS:

In this verification matter, and after a careful review, I find for the Applicant in the amended amount.

Clearly, there were responses herein by the Applicant as is shown in the proofs submitted.

Those responses in this arbitrator's finding, show a sufficient response to the questions Respondent posed.

In addition, contained within those requests were, as again, I find, improper questions to pose to an Applicant.

They included:

- All paperwork regarding formation, purchase and/or transfer of business interests of Levron Inc. d/b/a Titan Pharmacy including but not limited to ownership agreements, correspondence, certificates of incorporation, annual reports and receipts for filing; · Names and address of all individuals and entities with whom Levron Inc. d/b/a Titan Pharmacy has entered into agreements for the lease or rental of office space. Please also include a copy of said lease agreements; · Names and address of all individuals and entities with whom Levron Inc. d/b/a Titan Pharmacy has entered into agreements for the provision of administrative, management, consulting, advertising, marketing, delivery, billing and collection services. Please also include a copy of said agreements as well as any/all marketing and advertising materials; Pursuant to the terms of the applicable insurance policy and section 11 N.Y.C.R.R. 65-3.5, et seq., of the No-fault regulations, please be advised that the processing of your bill and claim submission is being delayed pending compliance with the requests for additional verification noted above.

These requests are de facto improper.

Verification is per claim, not per Applicant.

Arbitrator Alina Shafranova stated as such in her decision, as well. She stated, in pertinent part: "The regulations do not give the insurer the right to ask an assignee to produce documents relating to the corporate structure or finances of a medical provider. Upon receipt of the completed verification form, the insurer can request additional verification. The regulations only permit the insurer to obtain written information to verify a claim." See *Dynamic Medical Imaging, P.C. v. State Farm Mut. Auto. Ins. Co.*, 2010 Slip Op 20285 (Dist. Ct. Nassau Co. July 15, 2010) (Emphasis added). See also, *Brownsville Advance Medical, P.C. v. Country-Wide Ins. Co.*, 33 Misc. 3d 1236(A), 941 N.Y.S.2d 536, 2011 N.Y. Slip Op. 52255(U) at 3 (Dist. Ct. Nassau Co. 2011) ("The demand for information relating to a Mallela defense is not obtainable through verification."); *Island Chiropractic Testing, P.C. v. Nationwide Ins. Co.*, 35 Misc. 3d 1235(A), 953 N.Y.S.2d 550 (Dist. Ct. Suffolk Co., C. 2012)("Permitting an insurer to obtain written documents such as tax returns, incorporation agreements or leases regarding a potential fraudulent incorporation 'Malella' defense as part of the verification process defeats the stated policy and purpose of the no-fault law and carries with it the potential for abuse.") See AAA 17-19-1137-6105. (emphasis added).

Therefore I find that there was sufficient response.

Mailing is a moot point as there were responses, however, I note that there was no expansion on why the Respondent required these documents and second, there was no presentation of what would happen even if those responses were given. To wit, a declaratory judgment action is not started in this forum, but in the Courts, where questions such as the above are properly venued.

The claim is awarded.

Accordingly, for the reasons delineated above, I find in favor of the Applicant, and direct the Respondent to issue reimbursement as described below, plus interest, and attorney's fee and the arbitration filing fee, as outlined in Sections A through D below.

5. **Optional imposition of administrative costs on Applicant.**
Applicable for arbitration requests filed on and after March 1, 2002.

I do NOT impose the administrative costs of arbitration to the applicant, in the amount established for the current calendar year by the Designated Organization.

6. **I find as follows with regard to the policy issues before me:**

- The policy was not in force on the date of the accident
- The applicant was excluded under policy conditions or exclusions
- The applicant violated policy conditions, resulting in exclusion from coverage
- The applicant was not an "eligible injured person"
- The conditions for MVAIC eligibility were not met
- The injured person was not a "qualified person" (under the MVAIC)

The applicant's injuries didn't arise out of the "use or operation" of a motor vehicle

The respondent is not subject to the jurisdiction of the New York No-Fault arbitration forum

Accordingly, the applicant is AWARDED the following:

A.

Medical		From/To	Claim Amount	Amount Amended	Status
	LEVRON INC d/b/a Titan Pharmacy	11/08/24 - 11/08/24	\$1,809.76	\$605.92	Awarded: \$605.92
Total			\$1,809.76		Awarded: \$605.92

B. The insurer shall also compute and pay the applicant interest set forth below. 06/16/2025 is the date that interest shall accrue from. This is a relevant date only to the extent set forth below.

Interest on the above-awarded amount shall be computed and paid at a rate of two percent per month, calculated on a pro rata basis using a 30-day month, commencing as of the date reflected above, per 11 NYCRR 65-3.9. In accordance with 11 NYCRR 65-3.9c, interest shall be paid on the claims from the above date, which is the date the arbitration was commenced.

C. Attorney's Fees

The insurer shall also pay the applicant for attorney's fees as set forth below

Respondent shall pay Applicant an attorney's fee in accordance with 11 NYCRR 65-4.6(d), i.e., 20 percent of the amount of first party benefits, plus interest thereon with no minimum fee and a maximum fee of \$1360.00.

- D. The respondent shall also pay the applicant forty dollars (\$40) to reimburse the applicant for the fee paid to the Designated Organization, unless the fee was previously returned pursuant to an earlier award.

This award is in full settlement of all no-fault benefit claims submitted to this arbitrator.

State of NY
SS :
County of NY

I, Felix Papadakis, do hereby affirm upon my oath as arbitrator that I am the individual described in and who executed this instrument, which is my award.

12/14/2025
(Dated)

Felix Papadakis

IMPORTANT NOTICE

This award is payable within 30 calendar days of the date of transmittal of award to parties.

This award is final and binding unless modified or vacated by a master arbitrator. Insurance Department Regulation No. 68 (11 NYCRR 65-4.10) contains time limits and grounds upon which this award may be appealed to a master arbitrator. An appeal to a master arbitrator must be made within 21 days after the mailing of this award. All insurers have copies of the regulation. Applicants may obtain a copy from the Insurance Department.

ELECTRONIC SIGNATURE

Document Name: Final Award Form
Unique Modria Document ID:
612574865de8413ea2a7cc60df6b5e2d

Electronically Signed

Your name: Felix Papadakis
Signed on: 12/14/2025