

CONSENT ORDER NO. E14-94

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)
and Insurance, State of New Jersey, to fine) CONSENT
the insurance license of National Educational) ORDER
Services, LLC, Reference No. 1035017.)

To: National Educational Services, LLC
c/o Daniel E. Rumer
3044 Ashely Drive
Edgewood, KY 41017

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that National Educational Services, LLC (“NES”), licensed as a nonresident business entity insurance producer, pursuant to N.J.S.A. 17:22A-34, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, National Educational Services, LLC (“Respondent”) is subject to the provisions of New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (8) an insurance producer shall not use fraudulent, coercive, or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State; and

WHEREAS, pursuant to N.J.A.C. 11:17A-2.6 (a), an insurance producer who solicits insurance shall be required to identify the nature of the relationship between the insurance producer and the insurer to the person he or she is soliciting prior to commencing his or her solicitation; and

WHEREAS, pursuant to N.J.A.C. 11:17-2.7 (b), no nonresident licensed producer shall conduct business under a name other than its legal or business name in the state were it maintains a resident license; and

WHEREAS, pursuant to N.J.A.C. 11:2-23.4 (a), advertisements shall be truthful and not misleading in fact or by implication. The advertisement shall not have the capacity or tendency to mislead; and

WHEREAS, pursuant to N.J.A.C. 11:2-23.6 (a), an advertisement shall not use a trade name, an insurance group designation, name of a parent company of the insurer, name of a particular division of the insurer, service mark, slogan, symbol, or other device or reference without disclosing the name of the insurer, if the advertisement would have the capacity or tendency to mislead as to the true identity of the insurer; and

WHEREAS, pursuant to N.J.S.A. 17:29B-4 (2), an insurance producer shall not make or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in the form of a notice, circular, pamphlet, letter or poster, or in any other way, an advertisement, announcement or statement containing any assertion,

representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is misleading; 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 this act; and

IT APPEARING, that on May 2, 2014, Respondent caused, permitted and/or was otherwise responsible for utilizing Public Employee's Benefit Group, a non-licensed business entity, to market insurance emails to the public which failed to contain the required disclosure of the insurance producer, name of the insurer or the relationship between the insurance producer and the insurer, in violation of N.J.S.A. 17:22A-40a (2), and (8), N.J.S.A. 17:22A-29, N.J.A.C. 11:17A-2.6 (a), and N.J.A.C. 11:2-23.6 (a); and

IT FURTHER APPEARING, that on May 2, 2014, Respondent caused, permitted and/or was otherwise responsible for utilizing Public Employee's Benefit Group, a non-licensed business entity, to market insurance emails to the public with misleading statements, in violation of N.J.S.A. 17:22A-40a (2), and (8), N.J.S.A. 17:22A-29, N.J.S.A. 17:29B-4 (2), N.J.A.C. 11:2-23.4 (a), N.J.A.C. 11:2-23.6 (a) and N.J.A.C. 11:17A-2.6 (a); and

IT FURTHER APPEARING, that on May 2, 2014, Respondent solicited insurance business in New Jersey under the unregistered name of Public Employee's Benefit Group, in violation of N.J.S.A. 17:22A-40a (2), and (8), and N.J.A.C. 11:17-2.7 (b); and

IT FURTHER APPEARING, that the Respondent:

- 1) Has admitted responsibility for the aforementioned violation; and
- 2) Has cooperated with the Department of Banking and Insurance's ("Department") investigation; and

IT FURTHER APPEARING, that cause does exist under N.J.S.A. 17:22A-40(a) and N.J.S.A. 17:22A-45c to impose a fine; and

IT FURTHER APPEARING, that the Respondent has waived its right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of \$1,500.00; and

IT FURTHER APPEARING, that this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

NOW, THEREFORE, IT IS on this ^{28th}~~26th~~ day of August 2014,

ORDERED AND AGREED, that the Respondent shall pay a fine in the amount of \$1,500.00; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or money order made payable to the State of New Jersey, General Treasury in one payment of \$1,500.00 due and payable immediately upon the execution of this Consent Order by Respondent; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the payment of \$1,500.00 shall be remitted to:

New Jersey Department of Banking and Insurance
ATTN: Virgil Downtin, Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P O Box 329
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the fine is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to, recovery of any unpaid penalties in summary proceedings, in accordance with the penalty enforcement law, N.J.S.A. 2A:58-10 et seq.; and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein.

IT IS FURTHER ORDERED AND AGREED, that the Respondent shall cease and desist from engaging in the conduct that gave rise to this Consent Order.


Peter L. Hartt
Acting Director of Insurance

Consented to as to
Form, Content and Entry

By: David E. Rumer
National Educational Services, LLC

Secretary
Title
8/26/2014
Date

Fosca Mahoney
NOTARY # 494873
EXPIRES 8-9-17