

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)	
and Insurance, State of New Jersey, to fine the)	CONSENT
insurance license of YourPeople, Inc., dba)	ORDER
Zenefits FTW Insurance Services,)	
Reference No: 1540024)	

TO: YourPeople Inc.
dba Zenefits FTW Insurance Services
303 2nd Street
Suite 450 North Tower
San Francisco, CA 94107

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that YourPeople, Inc., dba Zenefits FTW Insurance Services ("Respondent"), currently 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, the Respondent is subject to the provisions of the 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 regulation, subpoena or order of the Commissioner; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (8), no insurance producer shall use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (12) an insurance producer shall not knowingly accept insurance business from an unlicensed insurance producer; 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; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(d) no licensed insurance producer shall permit or allow any unlicensed person to transact the business of an insurance producer; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.4(a) no person shall solicit, negotiate or sell an insurance contract in New Jersey unless he or she is a licensed producer; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.6(c) licensed partners, officers and directors, and all owners with an ownership of 10 percent or more in the organization shall be held responsible for all insurance related conduct of the organization licensee, any of its branch offices, its other licensed officers or partners, and its employees; and

WHEREAS, pursuant to N.J.A.C. 11:17-2.10(b) 2, the employer shall examine the credentials of the employee to determine that he or she is licensed to conduct the kinds of business described in the contract; and

WHEREAS, the Respondent became licensed as a New Jersey nonresident producer on December 31, 2013; and

WHEREAS, on or about December 2015, the Respondent initiated an internal audit of its employees for compliance with insurance licensing regulations for the State of New Jersey for the period between January 1, 2014 and November 30, 2015 and subsequently self-reported to the Department of Banking and Insurance ("Department") that its employees participated in one hundred and twenty-seven (127) events of negotiating, soliciting or the selling of insurance to residents of New Jersey without the employee having obtained a nonresident New Jersey insurance producer license prior to the event, in violation of N.J.S.A. 17:22A-40a (2), (8) and

(12), N.J.S.A. 17:22A-29, N.J.A.C. 11:17-2.10(b) 2, N.J.A.C. 11:17A-1.3(d), N.J.A.C. 11:17A-1.4(a) and N.J.A.C. 11:17A-1.6(c) ; and

WHEREAS, the Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the Department's investigation; and
- 3) Has established new management controls and compliance infrastructure to prevent any recurrence of non-compliance with licensing statutes and regulations; and

WHEREAS, 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

WHEREAS, Respondent has waived its right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of one hundred thousand dollars (\$100,000.00); and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

NOW, THEREFORE, IT IS on this

31st

day of August 2016,

ORDERED AND AGREED, that the Respondent shall pay a fine in the amount of one hundred thousand dollars (\$100,000.00); and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check, money order or wire transfer made payable to the State of New Jersey, General Treasury 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 full payment of shall be remitted to:

New Jersey Department of Banking and Insurance
ATTN: Virgil Dowtin, Chief of Investigations
9th Floor, Consumer Protections Services, Enforcement Unit
P.O. Box 329
Trenton, New Jersey 08625-0329

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; and

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. Hart
Director of Insurance

Consented to as to
Form, Content and Entry:

YourPeople, Inc.
dba Zenefits FTW Insurance Services

DocuSigned by:
Joshua Stein
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Joshua Stein Chief Compliance Officer & VP of Legal

(Print Name and Title)

Date: 8/22/2016