

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 Ten 250 Corporation, Reference No. 1580320 and Vivek Ajay Shah, Reference No. 1543126)
)
) CONSENT
) ORDER

To: Ten 250 Corporation 1018 A Minna Street San Francisco, CA 94103
Vivek Ajay Shah 1018 A Minna Street San Francisco, CA 94103

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Ten 250 Corporation, ("Ten 250"), d/b/a SimplyInsured Insurance Agency, currently licensed as a nonresident business entity insurance producer, pursuant to N.J.S.A. 17:22A-34, and its designated responsible producer, Vivek Ajay Shah ("Shah"), currently licensed as a nonresident 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, Ten 250 and Shah (collectively "Respondents") are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 *et seq.* ("Producer Act"); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance law, 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 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-40a(17), an insurance producer shall not knowingly facilitate or assist another person in violating any insurance laws; 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 the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17B:30-4, no person shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance and annuities or with respect to any person in the conduct of his insurance and annuity business, which is untrue, deceptive or misleading; and

WHEREAS, pursuant to N.J.A.C. 11:2-11.2, advertisements shall be truthful and not misleading in fact or in implication; words or phrases the meaning of which is clear only by implication or by familiarity with insurance terminology shall not be used; 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-1.6(c), licensed partners, officers and directors, and all owners with an ownership interest 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. 11:21-7.6(a), a small employer carrier shall not require a minimum small employer contribution of more than 10 percent of the annual cost of the small employer's health benefits plan; this contribution requirement shall be applied by the small employer carrier uniformly among all health benefits plans and all small employers; and

WHEREAS, on August 24, 2015, the Respondents conducted insurance business through an internet website which posted answers to insurance questions and therein posted an inaccurate response to the question "Do I have to contribute to my employee's insurance?" with the response, "No, there are no requirements to contribute to an employee's insurance for small businesses," which is contrary to the permitted minimum 10% employer contribution requirement, in violation of N.J.S.A. 17:22A-40a(2) and (8), N.J.S.A. 17B:30-4, N.J.A.C. 11:21-7.6(a) and N.J.A.C. 11:2-11.2; and

WHEREAS, on and between July 7, 2016 and August 24, 2016, the Respondents allowed AH, a Ten 250 employee, to conduct insurance business through Ten 250's internet website while AH was not licensed as an insurance producer in New Jersey, which resulted in the sale of eight group health insurance policies to New Jersey small employers, in violation of N.J.S.A. 17:22A-40a(2), (8), (12) and (17), N.J.S.A. 17:22A-29, N.J.A.C. 11:17A-1.3(d) and N.J.A.C. 11:17A-1.6(c);

WHEREAS, the Respondents:

- 1) Have admitted responsibility for the aforementioned violations; and
- 2) Have cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"); and
- 3) Have asserted that the violations cited in this Consent Order were not willful;

and

WHEREAS, cause does exist under N.J.S.A. 17:22A-40a and N.J.S.A. 17:22A-45c to impose a fine; and

WHEREAS, the Respondents have waived their right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of \$10,000.00; and

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

NOW, THEREFORE, IT IS on this 11th day of August, 2017

ORDERED AND AGREED, that the Respondents shall pay a fine in the amount of \$10,000.00 to the Department; 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" which shall be paid upon execution of this Consent Order by Respondents; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order, together with the fine payment of \$10,000.00, shall be remitted to:

New Jersey Department of Banking and Insurance
Attention: Virgil Downtin - Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P. O. Box 329
Trenton, New Jersey 08625-0329

and

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 Respondents shall cease and desist engaging in the conduct that gave rise to this Consent Order.



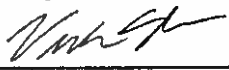
Peter L. Hart
Director of Insurance

Consented to as to
Form, Content and Entry

Ten 250 Corporation

By: 

Vivek Ajay Shah, CEO



Vivek Ajay Shah, Individually

Date: July 17th, 2017