

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:

National Congress of Employers, Inc.

Docket No.:3883-2018

**STIPULATION AND CONSENT ORDER**

**THIS STIPULATION AND CONSENT ORDER** is entered into as of ~~August~~ <sup>SEPT. 6</sup>

2018, by and between National Congress of Employers, Inc. (“NCE” or the “Respondent”) and the State of Delaware Department of Insurance (the “Department” together with NCE, the “Parties”).

**WHEREAS**, Respondent is a corporate entity registered in the State of Delaware who holds itself out as, among other things, an “association” providing certain membership services including providing certain insurance products to Delaware consumers; and

**WHEREAS**, upon the Department’s information and belief, Respondent holds a group accident and sickness hospital indemnity insurance policy and held a short-term medical association group policy through Unified Life Insurance Company, a Texas domiciled licensed insurer;

**WHEREAS**, upon the Department’s information and belief, Respondent holds a group, short-term limited benefit policy and a group term life policy through LifeShield National Insurance Company, an Oklahoma domiciled licensed insurer; and

**WHEREAS**, beginning in August 2017, the Department commenced an internal investigation (the “Investigation”) of NCE pursuant to 18 *Del. C.* § 317 to determine whether it was a “bona fide” association pursuant to 18 *Del. C.* §§ 3106 and 3506 for purposes of offering insurance in the State of Delaware and/or whether it was improperly conducting the business of,

or transacting the business of, insurance in the State of Delaware in violation of applicable provisions of Title 18 of the Delaware Code, including 18 *Del. C.* Chs. 5 and 17; and NCE neither admits nor denies any violations of Title 18 of the Delaware Code or any other applicable Delaware law; and

**WHEREAS**, following communications between NCE and the Department, NCE has determined that it will no longer solicit or otherwise offer membership services and/or any insurance products in the State of Delaware; and

**WHEREAS**, after communications with the Department and consistent with authority provided in NCE Board Resolution dated September 4, 2018, Respondent desires to resolve this matter without recourse to any administrative hearing or court action.

**NOW, THEREFORE, IT IS AGREED**, by and between Respondent and the Department as follows:

1. NCE shall not offer any insurance products or membership services to residents of the State of Delaware. All current policies issued to residents of the State of Delaware shall terminate pursuant to their respective policy terms and NCE shall not renew or offer any new policies or provide any insurance related services in the State of Delaware.
2. NCE shall not offer membership to any Delaware resident. Current memberships shall terminate pursuant to their respective terms.
3. Upon execution of this Stipulation and Consent Order, pursuant to 18 *Del. C.* § 329, Respondent shall pay to the Department the total amount of \$72,760.00 (the “Payment”).
4. Respondent shall issue a check for the Payment payable to the “State of Delaware.”
5. Within 30 days of Respondent’s execution of this Stipulation and Consent Order, Respondent shall issue a notice to all of its Delaware members and policy holders notifying them that NCE will no longer offer membership services or insurance products in the State of

Delaware and that all such memberships and insurance products shall terminate pursuant to their terms and will not be renewed and no new applications will be accepted. Should Respondent fail to timely issue such a notice, the Department reserves the right to issue the notice or issue a press release advising Delaware consumers of the same.

6. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order or any other potential cause of action by the Department, including jurisdiction.

7. Respondent acknowledges and agrees that this Stipulation and Consent Order may be shared with other interested regulators and insurers.

8. This Stipulation and Consent Order is the free and voluntary act of the Respondent and its terms are binding upon the Respondent and may be admitted into evidence in any judicial or administrative proceeding against the Respondent to enforce such terms. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

9. This Stipulation and Consent Order contains all terms and conditions agreed to by the Parties and constitutes the final agreement between the Respondent and the Department with respect to the Investigation.

10. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the Parties.

11. The Department's agreement to enter into this Stipulation and Consent Order shall not preclude prosecution for any violation of a criminal law in this State.

12. Respondent understands and agrees that the amounts due and payable to the Department pursuant to this Stipulation and Consent Order are not dischargeable in any bankruptcy proceeding pursuant to 11 U.S.C. § 523(a)(7).

13. If the Department fails to act on any one or more defaults by the Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare the Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.

14. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. Execution by facsimile or by an electronically submitted signature shall be fully and legally effective and binding. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

15. This Stipulation and Consent Order shall survive the Respondent and be enforceable against its successors, transferors, or assigns.

SIGNATURES ON NEXT PAGE

NATIONAL CONGRESS OF  
EMPLOYERS, INC.

Christopher Sabatella

Name: Christopher Sabatella  
Title: Executive Director

DELAWARE DEPARTMENT OF  
INSURANCE

Trinidad Navarro

Trinidad Navarro  
Insurance Commissioner

STATE OF NY )  
 ) SS.  
COUNTY OF Nassau )

The foregoing instrument was acknowledged before me this 6th day of September, 2018, by Christopher Sabatella, who is personally known to me or who has produced \_\_\_\_\_ as identification, and who certified that he or she is duly authorized to execute this document on behalf of Respondent.

GIVEN under my Hand and Seal of office, the day and year aforesaid.

Tracey F. Ragno  
NOTARY PUBLIC

TRACEY F. RAGNO  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01RA6318008  
Qualified in Nassau County  
My Commission Expires January 20, 2019