

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

IN THE MATTER OF:

National Congress of Employers, Inc.

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Docket No.:5256-2023

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of January 22, 2024, by and between National Congress of Employers, Inc. (“NCE” or the “Respondent”) and the 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; and

WHEREAS, upon information belief, Respondent holds a group accident and sickness hospital indemnity insurance policy and held a short-term medical association group policy

~~through LifeShield National Insurance Company, a Texas domiciled insurer;~~
WHEREAS, 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;

WHEREAS, prior to September 6, 2018, NCE offered certain membership services including providing certain insurance products to Delaware consumers;

WHEREAS, following a Department investigation of NCE beginning in August 2017, the Department and NCE entered into a Stipulation and Consent Order dated September 6, 2018 (the “2018 Stipulation and Consent Order”) whereby NCE agreed to, among other things, not offer any

insurance products or membership services to residents of the State of Delaware. A copy of the 2018 Stipulation and Consent is attached hereto as Exhibit A;

WHEREAS, following execution of the 2018 Stipulation and Consent Order, NCE informed their third party administrators that insurance products and memberships could no longer be offered in Delaware;

WHEREAS, beginning in approximately November of 2022, the Department commenced a second investigation (the “Second Investigation”) of NCE which confirmed that NCE’s third party administrators, continued to offer insurance products and membership services to residents of the State of Delaware in violation of the 2018 Stipulation and Consent, notwithstanding the aforementioned notification;

WHEREAS, following communications with the Department and consistent with authority provided in NCE Board Resolution dated _____, 2023, a copy of which is attached at Exhibit B, NCE desires to resolve this matter without recourse to any administrative hearing or court action.

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

1. Through this Stipulation and Consent Order, NCE agrees to cease and desist in offering any insurance products 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. Through this Stipulation and Consent Order, NCE agrees to cease and desist in offering 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, NCE shall pay to the Department the total amount of \$300,000.00 (the “Payment”). A check for the Payment shall be made payable to the “State of Delaware” and shall be received by the Department within 10 days of execution of this Stipulation and Consent Order.

4. 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. The Department reserves the right to issue a notice or issue a press release advising Delaware consumers of the same.

5. NCE waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order, the 2018 Stipulation and Consent Order, or any other potential cause of action by the Department, including jurisdiction.

6. NCE waives any right to challenge any Department effort to enforce this Stipulation and Consent Order, the 2018 Stipulation and Consent Order or any respective provisions of each in any court proceedings.

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

8. This Stipulation and Consent Order and the 2018 Stipulation and Consent Order is the free and voluntary act of NCE and its terms are binding upon NCE and may be admitted into evidence in any judicial or administrative proceeding against NCE to enforce such terms. NCE 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 Second 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. NCE 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.

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

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 NCE 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 NCE. NCE 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 NCE and be enforceable against its successors, transferors, or assigns.

SIGNATURES ON NEXT PAGE
