

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

RECEIVED  
INSURANCE DEPARTMENT  
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ADMINISTRATIVE UNIT

STEPHEN ENSINGER and NATIONAL : VIOLATIONS  
TRANSPORTATION BENEFITS :  
ALLIANCE ASSOCIATION (NTBAA) : 40 P.S. §§26, 310.4, 310.5, 310.11(2), (7)  
483 Lower Holland Road : and (20), 47(b) and 310.91.  
Holland, Pennsylvania 18966 :  
Docket No. CO 04-07-003

**CONSENT ORDER**

AND NOW, this 3<sup>d</sup> day of August 2004, this Order is hereby issued by the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondents hereby admit and acknowledge that they have received proper notice of their right to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa. C. S. §101, et seq., or other applicable law.

2. Respondents hereby waive all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

3. Respondents expressly deny violating Pennsylvania insurance laws or regulations.

## FINDINGS OF FACT

4. The Deputy Insurance Commissioner finds true and correct each of the following Findings of Fact:

- a) Respondent, Stephen Ensinger, is a Pennsylvania licensed producer, certificate No. 45230, expiration date December 20, 2004, who resides at 483 Lower Holland Road, Holland, Pennsylvania 18966.
- b) Respondent, Ensinger d/b/a National Transportation Benefits Alliance Association (NTBAA) is an association that purports to provide various benefits to members, including medical and dental plans and is located at 483 Lower Holland Rd., Holland, Pennsylvania 18966. NTBAA has never been licensed in any capacity to transact the business of insurance in Pennsylvania or any other state.
- c) Ensinger and NTBAA solicited and enrolled members of Jones Motor Group, Inc. (Jones Motor) in the International Union of Petroleum and Industrial Workers (IUPIW) for the purpose of providing them with accident and health insurance benefits through IUPIW.
- d) IUPIW is not a licensed insurer and has never been licensed to transact the business of insurance in the Commonwealth in any capacity.
- e) In March of 2004, Ensinger signed a collective bargaining agreement with the IUPIW, representing that NTBAA was the "employer" of Jones Motor members. In fact, those members are independent contractors and have never been employees of NTBAA or Jones Motor.

- f) Ensinger represented to Jones Motor members that the IUPIW plan was a fully insured plan. However, IUPIW has never been fully insured; IUPIW had a stop loss policy through Anthem Blue Cross (Anthem) for the period of February 1 through May 1, 2004.
- g) After Anthem cancelled the stop loss policy, neither Ensinger nor NTBAA ever advised members that the plan was totally self-insured effective May 1, 2004.
- h) The principals of, and persons related to, IUPIW are currently subject to criminal indictments in Texas for operating IUPIW as an illegal insurer.
- i) Oaktree Administrators (Oaktree), the third-party administrator for IUPIW, has been subject to an injunction entered against it by the U.S. Department of Labor for its activities relative to acting as the claims administrator for the International Union of Industrial and Independent Workers (IUIIW).
- j) IUPIW has been under the control of some of the same trustees, and is operating from the same location, as IUIIW.
- k) IUIIW is currently subject to an Order and Consent Decree issued by the U.S. Department of Labor, for fiduciary violations and mismanagement.
- l) Ensinger also enrolled members in All Benefit Consumer Association of America (ABCAA) a bogus association formed for the sole purpose of marketing enrollment in IUPIW.
- m) Professional Benefit Consultants and its principals, Chris Ashiotes and James Doyle, operate ABCAA. Doyle and Ashiotes are also under indictment by the State of Texas for their involvement in IUPIW and IUIIW as illegal, unlicensed insurance plans.

- n) ABCAA was to pay compensation to Ensinger and NTBAA for enrolling members in IUPIW.
- o) Michael DeBello forwarded IUPIW member applications to Anthem for stop loss coverage through IUPIW.
- p) Michael DeBello is subject to a number of orders for marketing illegal, unlicensed, bogus insurance plans, including Employers Mutual Employee Benefit and National Health Plus Plan SET.
- q) By enrolling Pennsylvania members of the Jones Motor Group in IUPIW, Ensinger and NTBAA solicited, issued coverage and collected premiums on behalf of a bogus, unlicensed accident and health insurance plan.
- r) Ensinger previously enrolled Pennsylvania members of Jones Motor Group in a prior unlicensed insurance arrangement (National Health Plus Plan SET), an alleged single employer trust.
- s) The National Health Plus Plan SET was not legitimate in that there was no "single" employer involved; that is, none of the Pennsylvania members enrolled by Ensinger were employees of Jones Motor or any other single employer.
- t) As a result of Ensinger enrolling members, one member, Robert Shank, incurred unpaid medical claims totaling approximately \$500,000.

### **CONCLUSIONS OF LAW**

5. In accord with the above Findings of Fact and applicable provisions of law, the Deputy Insurance Commissioner concludes and finds the following Conclusions of

Law:

- (a) Respondents are subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) Section 106 of the Insurance Department Act of 1921 (“the Act”) (40 P.S. §26) provides that it is unlawful for any person: (i) to negotiate or solicit within the Commonwealth any contract of insurance; (ii) to receive or transmit any offer of insurance; (iii) to receive or deliver a policy of insurance; or (iv) in any manner aid in the transaction of the business of insurance, without fully complying with the provision of the Act.
- (c) Respondents, through the Ensinger Agency, IUPIW, Oaktree, and ABCAA, have aided in the business of insurance without complying with the provisions of the Act, and have therefore violated Section 106 of the Act.
- (d) 40 P.S. §§ 310.4, 310.5 provide that one must demonstrate to the Insurance Commissioner that he is “worthy” of licensure by the Department as an insurance producer in this Commonwealth.
- (e) Respondent Ensinger’s activities described in paragraphs 4(b) –

(t) above demonstrates that he is no longer worthy of licensure by the Department as an insurance producer in this Commonwealth.

(f) 40 P.S. §310.11 provides that a producer may not:

(2) Violate the insurance laws or regulations of this Commonwealth or subpoena or order of the commissioner or of another state's insurance commissioner.

(7) Use fraudulent, coercive or dishonest practices or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this Commonwealth or elsewhere.

(20) Demonstrate a lack of general fitness, competence or reliability sufficient to satisfy the department that the licensee is worthy of licensure.

(g) Respondent Ensinger's activities, above, constitute violations of 40 P.S. §§310.11(2), (7) and (20).

(h) Section 209(b) of the Insurance Department Act of 1921 (40 P.S. §47(b)) provides that any person negotiating or soliciting any

policy of insurance in this Commonwealth, collecting or forwarding premiums or delivering policies for any company, association or exchange to which a certificate of authority has not been granted, shall be deemed to be the agent of the company, association or exchange in any legal proceedings brought against it.

- (i) Respondents' activities, above, constitute violations of 40 P.S. §47(b) and subject them to civil penalties of not less than \$1,000 nor more than \$10,000 for each offense.
- (j) 40 P.S. § 310.95 provides that an insurance producer shall be personally liable on all contracts of insurance or suretyship unlawfully made by or through the producer, directly or indirectly, for or on behalf of any insurance entity which is not authorized to do business in this Commonwealth.
- (k) Respondents' activities, above, constitute violations of 40 P.S. §310.95 and subject them to personal liability for contracts made by them, directly or indirectly, with IUPIW.
- (l) Because of Respondents' violations identified above, Respondents are subject to the following penalties pursuant to 40

P.S. § 310.91

- i. License revocation;
- ii. A civil penalty in the amount of \$5,000.00 for each violation;
- iii. An order to cease and desist; and
- iv. Any other remedy the Insurance Commissioner deems appropriate.

**ORDER**

6. In accord with the above Findings of Fact and Conclusions of Law, the Deputy Insurance Commissioner orders and Respondent consents to the following:

- a. Respondents shall cease and desist from the activities described herein and any other activities that constitute a violation of the Commonwealth's insurance laws.
- b. Respondent Ensinger's licenses are hereby revoked for a period of 4 years from the date of this Consent Order. Further, Respondent Ensinger shall not have any direct or indirect interest or ownership in, or have any affiliation with, Ensinger Agency, or any successor corporate entity, or related entity; nor shall he perform any services or act in any capacity on behalf of, or be employed or compensated directly or indirectly by Ensinger Agency or any successor corporate

entity.

- c. In addition to any and all other sanctions imposed by this Order, in no event may Ensinger become relicensed unless and until full satisfaction of the Shank claim has been made.
- d. Respondent agrees to fully cooperate with the Department and any and all other state or federal authorities in any civil, criminal, or regulatory investigation, inquiry, hearing or other proceeding against any person or entity identified in this Consent Order, their principals, or any other person or entity related to the matters addressed in paragraphs 4(a) through (t) above. Cooperation includes providing any testimony or documentary evidence that is reasonably requested by the Department or other state or federal authority.
- e. Respondent NTBAA shall cease and desist doing business entirely effective September 1, 2004.

7. Should Respondent Ensinger ever become re-licensed by the Department, Respondent Ensinger shall be subject to a five-year period of supervision from the date of re-licensure.

- (a) During this period of supervision, Respondent Ensinger's

certificates and licenses may be immediately suspended by the Department following its investigation and determination that any other terms of this Order have not been complied with, or any complaint against Respondent is accurate and a statute or regulation has been violated.

- (b) Respondent Ensinger specifically waives his right to prior notice of said suspension, but will be entitled to a hearing upon written request received by the Department no later than thirty (30) days after the date the Department mailed to Respondent Ensinger by certified mail, return receipt requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondent Ensinger's written request.
- (c) At the hearing referred to in paragraph 4(b) above, Respondent Ensinger shall have the burden of demonstrating that he is worthy of a license.
- (d) In the event Respondent Ensinger's certificates and licenses are suspended pursuant to paragraph 6(a) above, and Respondent Ensinger either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that he is worthy of a

license, Respondent Ensinger's suspended certificates and licenses shall be revoked.

8. In the event the Deputy Insurance Commissioner finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, he may, in his discretion, pursue any and all legal remedies available to him, including but not limited to the following: The Deputy Insurance Commissioner may enforce the provisions of this Order in the Commonwealth Court of Pennsylvania or in any other court of law or equity having jurisdiction; or the Deputy Insurance Commissioner may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

9. Alternatively, in the event the Deputy Commissioner finds that there has been a breach of any of the provisions of this Order the Deputy Commissioner may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provisions of law.

10. In any such enforcement proceeding, Respondents may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

11. Respondents hereby expressly waive any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

12. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all parties hereto.

13. This Order shall be final upon execution by the Deputy Insurance Commissioner. Only the Insurance Commissioner or her duly authorized Deputy Insurance Commissioner is authorized to bind the Insurance Department with respect to the settlement of the alleged violation of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or her duly authorized Deputy Insurance Commissioner. The penalties, if any, imposed by this Order are not effective until execution by the Insurance Commissioner or her duly authorized Deputy Insurance Commissioner.

14. The signatories, below, hereby represent and warrant that they have full legal authority to bind the respective parties to this agreement.



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On Behalf of Respondents  
Stephen Ensinger and NTBAA



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RANDOLPH L. ROHRBAUGH  
Deputy Insurance Commissioner  
Commonwealth of Pennsylvania