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INSURANCE DEPARTMENT

2011 OCT 19 PM 12:04

ADMINISTRATIVE HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: : VIOLATIONS:  
: :  
MICHAEL F. TENDLER : 40 P.S. §§ 310.11(20), 310.44, 310.71  
P.O. Box 132 : and 310.95  
123 N. Pine Street :  
Pillow, PA 17080 :  
Respondent. : Docket No. CO11-06-019

CONSENT ORDER

AND NOW, this *19<sup>th</sup>* day of *October*, *2011*, this Order is hereby issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that he has received proper notice of his rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. § 101, et seq., or other applicable law.

2. Respondent hereby waives 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.

## FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following

Findings of Fact:

- (a) Respondent is Michael F. Tandler and maintains his address at P.O. Box 132, 123 N. Pine Street, Pillow, PA 17080.
  
- (b) At all relevant times herein, Respondent has held an individual resident producer license, number 333345, to conduct the business of insurance in Pennsylvania.
  
- (c) In 2008, a Pennsylvania consumer applied online for health insurance and was enrolled into the Association of Independent Managers (hereinafter, AIM), with Respondent identified as the agent of record.
  
- (d) The AIM literature received by the insurance applicant indicates enrollment is made by sending payment and application to 20 Madison Avenue, Valhalla, New York.
  
- (e) The AIM literature, certificates of insurance coverage and enrollment kits received by the applicant failed to identify any legitimate insurance company purportedly providing insurance coverage.

- (f) In order for an association to be bona fide under the United States Department of Labor's guidelines within the meaning of Section 3(5), it is supposed to be organized as a trade group or similar organization, not solely for the purpose of supplying health benefits. AIM was organized for providing health insurance. Therefore, AIM is and was not recognized as a bona fide group by the federal or state government.
  
- (g) Respondent failed to show due diligence to determine if AIM was a bona fide association or group authorized to conduct or transact the business of insurance in the Commonwealth of Pennsylvania or elsewhere.
  
- (h) Respondent acted on behalf of or as a representative of an insurer (American Medical and Life Insurance Company) without possessing an appointment with that insurer as required by law.

#### CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 P.S. § 310.11(20) prohibits a licensee from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the department that the licensee is worthy of licensure.
- (c) Respondent's activities described above in paragraphs 3(c) through 3(h) violate 40 P.S. § 310.11(20).
- (d) 40 P.S. § 310.44 prohibits producers from soliciting and selling insurance on behalf of a fictitious or nonexistent company.
- (e) Respondent's activities described above in paragraphs 3(c) through 3(h) constitute soliciting and selling insurance for a fictitious or nonexistent company and violate 40 P.S. § 310.44.
- (f) 40 P.S. § 310.71 prohibits agents from transacting business within this Commonwealth without written appointment as required by the Act.
- (g) Respondent's activities described above in paragraph 3(h) constitute transacting business within this Commonwealth without written appointment as required by the Act and violate 40 P.S. § 310.71.

- (h) 40 P.S. § 310.95 holds an insurance producer personally liable on all contracts of insurance made through any company not authorized to do business in this Commonwealth.
  
- (i) Respondent's activities described above in paragraphs 3(c) through 3(h) constitute transacting insurance business within this Commonwealth through a company not authorized to do business and violate 40 P.S. § 310.95.
  
- (j) Respondent's violation of 40 P.S. § 310.95 makes the insurance producer personally liable for all contracts issued through the unauthorized company.
  
- (k) Respondent's violations of Sections 310.11(20), 310.44, 310.71 and 310.95 are punishable by the following, under 40 P.S. § 310.91:
  - (i) suspension, revocation or refusal to issue the certificate of qualification or license;
  - (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for every violation of the Act;
  - (iii) an order to cease and desist; and
  - (iv) any other conditions as the Commissioner deems appropriate.

ORDER

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

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
  
- (b) Respondent's certificates and licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Order have not been complied with, or (ii) any complaint against Respondent is accurate and a statute or regulation has been violated. The Department's right to act under this section is limited to a period of three (3) years from the date of this Order.
  
- (c) Respondent 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 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's written request.

(d) At the hearing referred to in paragraph 5(c) of this Order, Respondent shall have the burden of demonstrating that he is worthy of a license.

(e) In the event Respondent's certificates and licenses are suspended pursuant to paragraph 5(b) above, and Respondent 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's suspended certificates and licenses shall be revoked.

6. In the event the Insurance Department 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, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law; or, if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, the Department 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 provision of law.

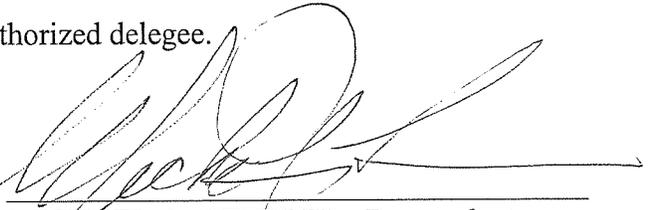
8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. 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 the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or a duly authorized delegee.

BY:



MICHAEL F. TENDLER, Respondent



COMMONWEALTH OF PENNSYLVANIA  
By: RONALD A. GALLAGHER, JR.  
Deputy Insurance Commissioner