

2017 SEP -6 AM 11:17

ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:

KEVIN T. TETTI
560 Main St. Ste. 1H
Allenhurst, NJ 07711

Respondent.

VIOLATIONS:

40 P.S. §§ 310.11(5), (20)
and 1171.5(a)(11)

Docket No. CO17-08-005

CONSENT ORDER

AND NOW, this 6th day of September, 2017, 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 Kevin T. Tetti, and maintains his address at 560 Main St. Ste. 1H, Allenhurst, NJ 07711.
- (b) Respondent is, and at all times relevant hereto has been, a licensed Pennsylvania non-resident producer.
- (c) In 2015 and 2016, Respondent permitted and condoned insurance sales by unlicensed and non-appointed employees; and permitted and condoned the submission of health insurance applications to insurers in Respondent's name.
- (d) In 2015 and 2016, Respondent and employees under his direction and control, misrepresented the benefits of short term health insurance policies to prospective policyholders about policy terms and conditions; and failed to advise customers of limitations of insurance policies to include failing to inform customers that the policies did not cover pre-existing conditions and did not meet minimum essential coverage under the Affordable Care Act.

- (e) In 2015 and 2016, Respondent and his employees sold short term medical plans to at least three (3) individuals who were ineligible for the plans due to disqualifying medical conditions which were disclosed to Respondent and his employees.
- (f) From approximately 2014 until 2017, Respondent knowingly employed an individual who had four (4) felony convictions in New Jersey and was required to obtain written consent to engage in the business of insurance.
- (g) In 2015 and 2016, Respondent and the employee with felony convictions, failed to follow verification scripts; ask questions about disqualifying conditions; or advise prospective policyholders of policy limitations and exclusions.
- (h) Respondent provided contradictory information to the Department regarding who sold a customer a policy; facts surrounding the offer of a refund of premium to the customer; and whether the customer medically qualified for the plan sold to her.
- (i) In 2016-2017, Respondent was unable to produce a verification call recording for the aforementioned customer, and Respondent contacted approximately five (5) other customers to remake verification call recordings which were requested by the insurer.

- (j) From 2011 until 2017, Respondent failed to maintain records of complaints.

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(5) prohibits a licensee or an applicant from intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
- (c) Respondent's activities described above in paragraphs 3(d) violate and 3(g) 40 P.S. § 310.11(5).
- (d) 40 P.S. § 310.11(20) prohibits a licensee or an applicant from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure.

- (e) Respondent's activities described above in paragraphs 3(c) through 3(j) violate 40 P.S. § 310.11(20).
- (f) Respondent's violations of §§ 310.11(5), and (20) are punishable by the following, under 40 P.S. § 310.91:
 - (i) suspension, revocation or refusal to issue the 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.
- (g) 40 P.S. § 1171.5(a)(11) requires a licensee maintain a complete record of all the complaints which have been received during the proceeding four years.
- (h) Respondent's activities described above in paragraph 3(j) violate 40 P.S. § 1171.5(a)(11).
- (i) Respondent's violations of 40 P.S. § 1171.5(a)(11), are punishable by the following, under 40 Purdons Statutes, §§ 1171.8, 1171.9, and 1171.11:

- (i) an order requiring Respondent to cease and desist from engaging in such violation and/or, if such violation is a method of competition, act or practice defined in Section 5 of this Act, suspension or revocation of Respondent's license(s);
- (ii) commencement of an actions against Respondent for the following civil penalties:
 - (1) for each method of competition, act or practice defined in Section 5 and in violation of the Act which Respondent knew or reasonably should have known was such a violation, a penalty of not more than five thousand dollars (\$5,000.00) for each violation, not to exceed an aggregate penalty of fifty thousand dollars (\$50,000.00) in any six month period;
 - (2) for each method of competition, act or practice defined in Section 5 and in violation of this Act which Respondent did not know nor reasonably should have known was such a violation, each violation, not to exceed an aggregate penalty of ten thousand dollars (\$10,000.00) in any six month period;
 - (3) for each violation of an Order issued by the Commissioner pursuant to Section 9 of the Act, which such Order is in effect, a penalty of not more than ten thousand dollars (\$10,000.00).

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) All licenses of Respondent to do the business of insurance are hereby revoked.
- (c) If Respondent should ever become licensed in the future, his 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 five (5) years from the date of issuance of such licenses.
- (d) 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.

- (e) At the hearing referred to in paragraph 5(d) of this Order, Respondent shall have the burden of demonstrating that he is worthy of an insurance license.
- (f) In the event Respondent's licenses are suspended pursuant to paragraph 5(c) 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 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 provisions 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 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.

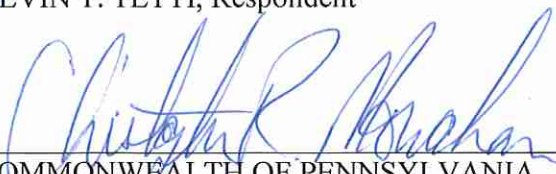
11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegate is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of

law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or duly authorized delegee.

BY:



KEVIN T. TETTI, Respondent



COMMONWEALTH OF PENNSYLVANIA
By: CHRISTOPHER R. MONAHAN
Deputy Insurance Commissioner

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, Known as The
Administrative Code of 1929

AND NOW, this 22nd day of August, 2017, Christopher R. Monahan,
Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly
authorized representative for purposes of entering in and executing Consent Orders. This
delegation of authority shall continue in effect until otherwise terminated by a later Order
of the Insurance Commissioner.



Jessica K. Altman
Acting Insurance Commissioner

