

FEB 14 2008

DEPT OF INSURANCE
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STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:

**NATIONAL TRADE BUSINESS
ASSOCIATION aka NATIONAL TRADE
BUSINESS ALLIANCE OF AMERICA aka
NATIONAL TRANSPORTATION
BENEFITS ALLIANCE ASSOCIATION
aka QUALIFIED ADMINISTRATIVE
SPECIALISTS OF AMERICA aka
AMERICAN EMPLOYERS ASSOCIATION
aka NTBAA aka AFFINITY
HEALTHPLANS OF AMERICA; THOMAS
J. SULLIVAN; JAMES DOYLE;
NATIONAL ALLIANCE OF
ASSOCIATIONS aka NAA,**

Petitioners.

No. 07A-177-INS

CONSENT ORDER

(Hearing February 15, 2008, 9:00 a.m.
Administrative Law Judge Lewis Kowal)

The Arizona Department of Insurance ("Department") has received evidence that
Petitioners have unlawfully engaged in the business of insurance in the State of Arizona.
Petitioners wish to resolve this matter without the commencement of formal proceedings,
do not contest the following Findings of Fact and consent to entry of the following
Conclusions of Law and Order.

FINDINGS OF FACT

1. On February 14, 2007, Jewel Davis ("Davis") filed a complaint with the
Arizona Department of Insurance regarding a health insurance policy purchased for two
employees of Marick, Inc. dba Copy Works & Printing ("Copy Works & Printing"). The
health insurance policy was solicited through a fax sent to Copy Works & Printing. Davis
purchased the insurance through a Nevada producer, Mark Miller, who represented that
the health insurance was a PPO.

1 2. Mark Miller is an employee of Family Healthcare Services, Inc. dba
2 America's Best Benefits ("America's Best"), an independent contractor enrollment firm that
3 provides enrollment services for the National Trade Business Alliance of America
4 ("NTBAA")¹, an association that purports to provide its members with a healthcare savings
5 program called Affinity Health Plans of America.

6 3. For each employee, Davis received two cards for "Affinity Health Plans of
7 America." One card was a "Medical Benefits" card but stated that it was for a Limited
8 Benefit Insured Plan – 100. The address for claims submissions was HCH, TPA, P.O. Box
9 841237, Houston, Texas 77284. The other card stated "This Program is not Insurance"
10 and only provides dental, vision, prescription and chiropractic services on a discounted
11 basis.

12 4. America's Best is not licensed to transact insurance in Arizona nor is it
13 exempt from the licensing requirement. America's Best's addresses are: 2515 Camino Del
14 Mar #11, Del Mar CA 92014 and 5234 Kendall Ridge Court, Las Vegas NV 89141.

15 5. NTBAA was New Jersey non-profit corporation located at 141 Ganttown
16 Road, Suite E, Turnersville, NJ 08012. NTBAA was not a bona fide association within the
17 meaning of A.R.S. § 20-2301(5). NTBAA was not licensed to transact insurance in
18 Arizona nor was it exempt from the licensing requirement. NTBAA issued health
19 insurance contracts to Arizona residents in the form of insurance cards for Affinity Health
20 Plans of America.

21 6. On May 31, 2007 NTBAA dissolved as a corporation.

22 7. On October 2, 2007, the New Jersey Department of Treasury, Division of
23 Revenue, received a filing to form a new non-profit corporation, National Alliance of
24

25 ¹ The National Trade Business Association is also known as the National Trade Business
26 Alliance of America, National Transportation Benefits Alliance Association, Qualified
Administrative Specialists of America, American Employers Association and NTBAA.

1 Associations ("NAA") NAA is the successor entity to NTBAA. NAA is a New Jersey non-
2 profit corporation located at 141 Ganttown Road, Suite E, Turnersville, NJ 08012 and is
3 not a bona fide association within the meaning of A.R.S. §.20-2301(5). NAA is not
4 licensed to transact insurance in Arizona nor is it exempt from the licensing requirement.

5 8. Thomas J. Sullivan ("Sullivan") was the President of NTBAA and is President
6 of NAA. Sullivan is not licensed to transact insurance in Arizona nor is he exempt from the
7 licensing requirement.

8 9. James Doyle ("Doyle") was the Secretary and Treasurer of NTBAA. Doyle is
9 not licensed to transact insurance in Arizona nor is he exempt from the licensing
10 requirement.

11 10. Neither NTBAA dba Affinity Health Plans of America or NAA hold certificates
12 of authority to transact insurance in the State of Arizona.

13 11. Neither NTBAA dba Affinity Health Plans of America or NAA are exempt from
14 the certificate of authority requirement.

15 12. On September 11, 2006, Paylogix, on behalf of Affinity Health Plans of
16 America, made two withdrawals from the CopyWorks & Printing business account, **** **
17 0116, each for \$249.50.

18 13. On October 12, 2007, the Director ordered Petitioners² to immediately cease
19 and desist from offering or soliciting insurance applications; taking or proposing to make
20 any insurance contract; taking or receiving any application for insurance; taking or
21 collecting any premium fees, commission or any other consideration for any insurance
22 contract; issuing or delivering insurance contracts to residents of Arizona; or otherwise
23 offering or issuing insurance contracts to Arizona residents.

24
25 ² Also ordered to cease and desist were HCH Administration, Inc., Family Healthcare
26 Services, Inc. dba America's Best Benefits, Mark Miller, Ethan Erickson, Paylogix, LLC and
Richard Pfadenhauer.

1 the meaning of A.R.S. § 20-2324 nor do NTBAA and NAA hold a certificate of exemption
2 under A.R.S. § 20-401.05.

3 6. Petitioners NTBAA and NAA are not exempt from holding a certificate of
4 authority under A.R.S. § 20-401.01(B).

5 7. Petitioners NTBAA and NAA's conduct, as alleged above, constitutes
6 transacting insurance business in Arizona without a certificate of authority, within the
7 meaning of A.R.S. § 20-401.01(A) and is classified as a class 5 felony pursuant to A.R.S. §
8 20-401.06.

9 **ORDER**

10
11 **IT IS THEREFORE ORDERED:**

12 1. Petitioners shall immediately cease and desist from offering or soliciting
13 insurance applications, taking or proposing to make any insurance contract, taking or
14 receiving any application for insurance, taking or collecting any premium, fees, commission,
15 or any other consideration for any insurance contract, issuing or delivering insurance
16 contracts to residents of this state, or otherwise offering or issuing insurance contracts to
17 Arizona residents until they obtain the appropriate authority to do so from the Department.

18 2. Petitioners shall immediately cease and desist from unlawfully transacting
19 insurance business in this state without a certificate of authority until they obtain the
20 appropriate authority to do so from the Department.

21 3. Petitioners shall immediately terminate their contract with Edith Toney of
22 Phoenix, Arizona who is a current enrollee.

23 4. Petitioners shall pay all valid claims arising out of acts covered by any and all
24 insurance contracts issued by them to Arizona residents for so long as such claims may
25 legally be brought against the contract holders.

26

1 4. Petitioners state that no promise of any kind or nature whatsoever, except as
2 expressly contained in this Consent Order, was made to them to induce them to enter into
3 this Consent Order and that they have entered into this Consent Order voluntarily.

4 5. Petitioners acknowledge that the acceptance of this Consent Order by the
5 Director is solely to settle this matter against them and does not preclude any other agency,
6 officer, or subdivision of this state including the Department from instituting civil or criminal
7 proceedings as may be appropriate now or in the future. Petitioners acknowledge that
8 violation of this order may result in criminal prosecution by the Department.

9 6. Petitioners acknowledge that this Consent Order is an administrative action
10 that the Department will report to the National Association of Insurance Commissioners
11 (NAIC). Petitioners further acknowledge that they must report this administrative action to
12 any and all states in which they hold an insurance license and must disclose this
13 administrative action on any license application.
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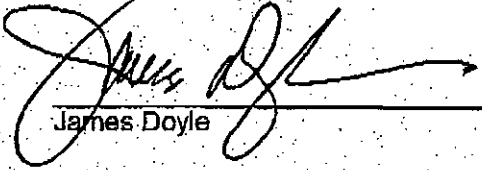
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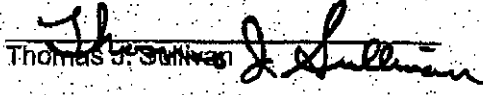
7. Thomas Sullivan represents that he was President of National Trade Business Alliance of America and as such is authorized to enter into this Consent Order on its behalf.

8. Thomas Sullivan represents that he is the President of NAA and as such is authorized to enter into this Consent Order on its behalf.

2/14/08
Date

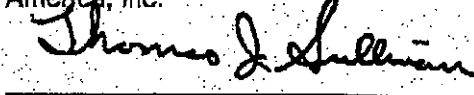

James Doyle

2/14/08
Date


Thomas J. Sullivan

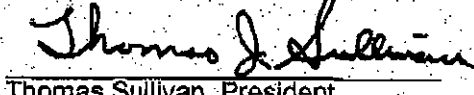
National Trade Business Alliance of America, Inc.

2/14/08
Date


Thomas Sullivan, President

National Alliance of Associations, Inc.

2/14/08
Date


Thomas Sullivan, President

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COPY of the foregoing mailed this
14th of FEBRUARY, 2008, to:

Lewis Kowal , Administrative Law Judge
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