

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF:)
)
 DONALD IRA PINANSKY;)
 DYLAN BRENT SPORN;)
 MARC SHAYE SPORN;)
 BRYANA STARR SPORN;)
 CONSOLIDATED USA)
 INSURANCE, INC.;)
 STARR INSURANCE GROUP INC.;)
 AMERCO GROUP, INC.)
 fka AMERCO INSURANCE, INC.;)
 XCHANGE BENEFITS LLC; and)
 SELECTED MARKET INSURANCE)
 GROUP, LLC;)
)
 Respondents.)

Division File No. 85163
**DEFAULT DECISION AND
 ORDER TO CEASE AND
 DESIST AND FOR PAYMENT
 OF CIVIL PENALTIES AND
 COSTS AS TO STARR
 INSURANCE GROUP INC.**

This matter comes before Iowa Insurance Commissioner Nick Gerhart (“Commissioner”) upon the Iowa Insurance Division’s (“Division”) Motion for Default Decision as to Starr Insurance Group Inc. filed by the Iowa Insurance Division. Having been fully advised in the premises, Commissioner Gerhart does hereby make the following findings of fact, conclusions of law, and orders the following:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Nick Gerhart, administers the Iowa Unauthorized Insurers Act—Iowa Code Chapter 507A, Insurance Trade Practices—Iowa Code Chapter 507B, and the Iowa Licensing of Insurance Producers Act—Iowa Code Chapter 522B. Commissioner Gerhart has designated the Division to seek enforcement of these provisions.

2. Respondent Starr Insurance Group Inc. (“Starr”) is a Florida corporation and a business entity insurance producer in several states other than Iowa with a National Producer Number of 15835091. Starr is not and never was licensed as a business entity producer in Iowa.

Starr's resident business entity producer license in Florida expired on July 15, 2013. The last known address of Starr, according to National Insurance Producer Registry records, is 1800 North Federal Highway, Delray Beach, FL 33483.

3. Insurance licensing and corporate filings with state officials indicated that co-respondent Bryana Starr Sporn ("Bryana Sporn") was president, secretary, treasurer and sole director of Starr.

II. PROCEDURAL HISTORY

4. On September 8, 2014, the Division filed a statement of charges against Starr, among others.

5. On March 2, 2015, the Commissioner issued a summary order to cease and desist against Starr, by the consent of Bryana Sporn as an officer and director of Starr. Starr has been under that order to the present date.

6. On April 18, 2016, the Commissioner issued an order scheduled a prehearing conference for June 10, 2016.

7. On May 24, 2016, Bryana Sporn filed a Supplementary Answer and Statement disavowing any role as an officer or director. Bryana Sporn also disavowed having any control of Starr and asserted that numerous signatures purporting to be hers were, in fact, not genuine.

8. Bryana Sporn's attorney sought and was granted leave on June 2, 2016, to withdraw as counsel for Starr.

9. Starr failed to appear at the June 10, 2016 prehearing conference, thereby failing to participate in the contested case proceeding as required by Iowa Administrative Code rule 191-3.5(3).

10. The Division filed a Motion for Default Decision as to Starr Insurance Group Inc. on June 13, 2016 (“Motion”). The Motion is based upon Starr’s failure to appear and participate in the prehearing conference and upon which this order is considered. The Motion was mailed on June 13, 2016 by first class mail to the last known address of Starr. Copies of the Motion were sent to all other parties to this action.

11. On June 23, 2016, the mailing was returned to the Division and marked “Return to sender, not deliverable as addressed, unable to forward.”

12. Since that time, no one has come forward to appear on Starr’s behalf, nor has Starr filed anything responsive to the Motion.

III. FINDINGS OF FACT

13. Starr has failed to participate in this contested case proceeding and is in default.

14. From at least as early as July 13, 2010 to at least as recent as September 8, 2014, Starr engaged in unfair insurance trade practices.

15. During 2012 through 2014, information concerning the Patient Protection and Affordable Care Act ("ACA") was widely disseminated to the public.

16. One of the provisions of the ACA that was most widely described to the public was the new prohibition on insurance companies denying coverage or requiring higher premiums based upon pre-existing health or medical conditions.

17. Throughout 2013 and into 2014 the United States government through the Department of Health and Human Services ("HHS") and the State of Iowa through the Division were disseminating information on how consumers would be able to enroll in ACA qualified plans.

A. Broadcast Advertising

18. Leading up to and during 2013 - 2014, the Respondents caused television and radio advertisements to be broadcast throughout the United States, including the State of Iowa, which made reference to the ACA and health insurance for people with pre-existing conditions.

19. Specifically, Respondents contracted with Direct Media Power, Inc. ("DMP"), an Illinois corporation, to obtain leads for insurance sales. DMP's principal place of business is found at 199 S. Addison Road, Suite 102-A, Wood Dale, Illinois 60191.

20. An example of DMP's radio broadcast advertisements follows:

This is an important announcement for anyone with or without health insurance. Pay attention. A special health insurance hotline has now been set up especially for you. Even if you have current health issues or if you have pre-existing conditions. Now get health insurance. Grab a pen and take down this number or store it in your cell phone right now but call 1-800-809-7991. That's 1-800-809-7991. When you call you'll get free information. Free information on health insurance plans that are available to all individuals and families. Medical costs are the number one cause of financial distress in our country today. But if you call this special toll free hotline you can get health insurance for you and your family. In addition your employment and credit history are not a factor to obtain health insurance. All adults are strongly urged to call this health insurance hotline today for free information. Don't delay. Call the health insurance hotline right now at 1-800-809-7991. That's 1-800-809-7991 today.

21. The broadcast advertisements contained assertions, representations and statements that were untrue, deceptive and misleading by creating consumer impressions that Respondents were offering insurance that provided health care coverage for pre-existing conditions.

B. Sale of Insurance

22. Many consumers in Iowa and throughout the United States responded to the broadcast advertisements by calling the telephone numbers in the advertisements, reaching telephone sales rooms, including those operated by Starr ("Respondents' Salespersons").

23. Among Respondents' Salespersons in the phone center answering the calls, were individuals who were not licensed as insurance producers in the State of Iowa.

24. Respondents' Salespersons represented to Iowa consumers:

- a. Respondents' "health plan/insurance" would "fit the needs" of the consumers;
- b. Respondents' "health plan/insurance" was the "Unified Health One 300" plan";
- c. Respondents' "health plan/insurance" was equivalent to "Obamacare";
- d. Respondents' "health plan/insurance" qualified under "Obamacare" and the consumer could not be penalized for not having insurance;
- e. Respondents' "health plan/insurance" was a "PPO" [preferred provider organization];
- f. Respondents' "health plan/insurance" included a Multiplan network, which is the same network that Blue Cross Blue Shield has;
- g. Respondents' "health plan/insurance" was major medical;
- h. Respondents' "health plan/insurance" will cover everything that is medically necessary;
- i. Respondents' "health plan/insurance" will allow you to go to any doctor in the country;
- j. Respondents' "health plan/insurance" was equivalent to a comprehensive plan;
- k. Respondents' "health plan/insurance" was full coverage with dental, vision and prescription coverage;
- l. Respondents' "health plan/insurance" included additional benefits of prescription, vision and hearing coverage;

- m. Respondents' "health plan/insurance" provides out of pocket expenses for doctors' visits will be as low as \$20 and possibly not anything - " ... the most you would pay is \$50";
 - n. When Respondents' Salespersons were asked whether the coverage is a limited benefit plan, consumers were told "actually - limited meaning there's no deductible, but you get a million dollars worth of coverage every year, which is more than enough";
 - o. Respondents have a proprietary software program that looks through all federal plans and all private plans, including "gold, silver, bronze, platinum... Blue Cross, United Health Care, Humana, Cigna, Aetna Insurance ... sixty different companies";
 - p. Respondents' "health plan/insurance" provides benefits for hospital, surgery, anesthesia, intensive care and continuous care, like home health care nurse after hospitalization, inpatient physical therapy and rehab or out-patient physical therapy;
 - q. Respondents' "health plan/insurance" covers substance abuse, mental illness, wellness exams, doctor office visits, emergency room, diagnostic x-rays, lab work, ambulatory service by air or ground.
25. Respondents' Salespersons failed to describe in any meaningful manner the significant limitations and conditions of the insurance being sold to the consumers.
26. Respondents' Salespersons obtained banking account information from consumers to place reoccurring authorization for "monthly premiums."
27. Respondents' Salespersons failed to obtain written confirmation of the consumers' affirmative authorization for preauthorized electronic transfer of funds.
28. Following the sales presentation, consumers were routinely transferred to another salesperson, who would follow a verification script. Before doing so, Respondents' Salespersons

would instruct consumers that during this verification, the consumer would be asked a series of questions, but that the consumer should not interrupt or ask any questions, but should simply answer "yes" to the questions.

29. The verification process was typically recorded, but it was the only part of the sales presentation that was recorded.

30. During the recorded verification process, the Respondents' Salespersons failed to disclose material information necessary to obtain informed consent and authorization for the electronic transfer of funds.

31. During the verification, the verification representative did refer to the monthly payment as the "monthly medical premium."

32. The sales presentations contained statements, presentation, omissions and comparisons that misrepresented the benefits, advantages, conditions and terms of the actual insurance being sold to consumers.

33. The sales presentations contained assertions, representations, and statements, with respect to the business of insurance and persons in the business of insurance that were untrue, deceptive and misleading.

C. Limited Benefit Plans

34. Rather than receiving the comprehensive health coverage and coverage for pre-existing conditions that consumers were led to believe they were purchasing, consumers received a number of limited benefit insurance policies that would not cover pre-existing conditions.

35. These contracts were sent by mail by the several insurance companies issuing the policies.

36. Several examples of the policies that were actually written for consumers include the following:

- a. A group accident and sickness hospital indemnity plan by Unified Life Insurance Company for the group, "National Congress of Employers Association;"
- b. An accidental death benefit plan by Fidelity Life Association;
- c. A group short term medical expense insurance plan by Pan America Life Insurance Company for the group "Business Workers of America";
- d. A dental indemnity policy by Time Insurance Company.

37. The actual monthly premium under these policies was substantially less than that amount represented to the consumers. The consumers were charged an enrollment fee.

38. Consumers were enrolled in an association and charged monthly association fees without their knowledge or consent.

39. Unified Life Insurance Company's records identified Bryana Sporn as the producer of record for the sale of insurance to consumers, although a number of those consumers had never spoken to Bryana Sporn.

40. Unified Life Insurance Company contracted with Xchange Benefits to contract with producers.

41. Xchange Benefits contracted with producers on behalf of Unified Life Insurance Company to sell, solicit and negotiate insurance in the State of Iowa.

42. Xchange Benefits was and is not registered as a third-party administrator in the State of Iowa.

43. Pan American Life Insurance Company's records identified Starr as the agency in the sale of insurance to consumers.

44. Starr was and is not licensed as a producer in the State of Iowa.
45. Pan American contracted with Selected Market to bill and collect premium.
46. Selected Market billed and collected premium from consumers in the State of Iowa.
47. Selected Market was and is not registered as a third-party administrator in the State of Iowa.
48. Time Insurance Company's records identified Consolidated, Boca Raton, Florida, and Bryana Sporn as the producer of record for the sale of insurance to consumers, although those consumers had never spoken to Bryana Sporn.

D. Cancellations

49. If a consumer sought to cancel the policies, Respondents were unresponsive. Despite numerous requests by consumers to speak to the person that had been identified as their agent an effort to effectuate cancellation, Respondents employed unreasonable and unfair delay tactics, as repeated requests were ignored and calls were not returned.
50. When consumers sought to cancel, Respondents sought to switch the consumers to different plans and funds were electronically transferred from consumers' bank accounts without written authorization.

E. Failure to Appear and Participate

51. On June 10, 2016, the Commissioner held a prehearing conference between the Division and Starr, the sole remaining respondent in this matter.
52. Starr failed to appear at the June 10, 2016 prehearing conference, thereby failing to participate in the contested case proceeding.

IV. CONCLUSIONS OF LAW

Count 1

Unfair and Deceptive Acts and Practices

53. Starr caused, directly and indirectly, to be made, published, disseminated, and placed before the public over radio and television, certain advertisements, announcements and statements that were untrue, deceptive and misleading.

54. Starr, through its agents, made and caused to be made, statements, sales presentations, and omissions, which misrepresented the benefits, advantages, conditions and terms of several insurance policies.

55. Iowa Code § 507B.3 provides:

A person shall not engage in this state in any trade practice which is defined in this chapter as, or determined pursuant to section 507B.6 to be, an unfair method of competition, or an unfair or deceptive act or practice in the business of insurance.

56. Iowa Code § 507B.6 provides:

Whenever the commissioner believes that any person has been engaged or is engaging in this state in any unfair method of competition or any unfair or deceptive act or practice whether or not defined in section 507B.4, 507B.4A, or 507B.5 and that a proceeding by the commissioner in respect to such method of competition or unfair or deceptive act or practice would be in the public interest, the commissioner shall issue and serve upon such person a statement of the charges in that respect and a notice of a hearing on such charges to be held at a time and place fixed in the notice, which shall not be less than ten days after the date of the service of such notice.

57. The prohibition of deception in Iowa Code §§ 507B.3 and 507B.6 is not limited to the enumerated practices in Iowa Code § 507B.4, nor to common law deception.

58. Iowa's Insurance Trade Practices law and its prohibitions of "unfair method of competition or any unfair or deceptive act or practice" are the result of deliberations in Congress and at the National Association of Insurance Commissioners dating back to the origins of the

McCarran-Ferguson Act. 15 U.S.C. §§ 1011-1015 (2015). Following the United States Supreme Court decision in *United States v. South-Eastern Underwriters Association*, 322 U.S. 533 (1944), the NAIC took up a discussion about the impact of federal regulation of insurance and proposals to reverse the effect of the Supreme Court's decision. *Mid Winter Meeting*, 1945 Nat'l Ass'n Ins. Comm'rs Proc. 26-28. In 1945, Congress enacted McCarran-Ferguson, which includes the following:

(a) State regulation

The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business.

(b) Federal regulation

No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such Act specifically relates to the business of insurance: *Provided*, That after June 30, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of October 15, 1914, as amended, known as the Clayton Act, and the Act of September 26, 1914, known as the Federal Trade Commission Act, as amended [15 U.S.C.A. 41 et seq.], shall be applicable to the business of insurance to the extent that such business is not regulated by State law.

15 U.S.C. § 1012 (2015) (emphasis added).

59. As emphasized above, one of the concerns addressed in McCarran-Ferguson was the Federal Trade Commission ("FTC") jurisdiction that could conflict with state regulation. *Mid Winter Meeting*, 1946 Nat'l Ass'n Ins. Comm'rs Proc. 132-134. The FTC jurisdiction over the business of insurance under discussion at that time included Section 5 of the Federal Trade Commission Act, passed in 1914. Federal Trade Commission Act Amendments of 1938 (Wheeler-Lea Act), Pub. L. No. 75-447, § 3, 52 Stat. 111, 111 (1938). Section 5 provides as follows:

Unfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce, are hereby declared unlawful.

15 U.S.C. §45 (emphasis added).

60. After several years of discussion, the NAIC adopted the model unfair trade act, first titled “An Act Relating to Unfair Methods of Competition and Unfair and Deceptive Acts and Practices in the Business of Insurance.” *Mid Winter Meeting*, 1947 Nat’l Ass’n Ins. Comm’rs Proc. 142-143, 383-389, 392-410, 413. All fifty states adopted this law. *Summer Meeting*, 1960 Nat’l Ass’n Ins. Comm’rs Proc. Vol. II, 515. The NAIC model law was specifically drawn from the concepts in Section 5 of the FTC Act, so it carried with it the broad prohibitions of unfairness and deception jurisdiction, and enumerated some unfair and deceptive acts and practices. *Mid Winter Meeting*, 1947 Nat’l Ass’n Ins. Comm’rs Proc. 142-143, 383-389, 392-410, 413. The NAIC clarified and strengthened these broad prohibitions of unfair and deceptive acts and practices in 1972. *Unfair Trade Practices (B6) Subcommittee*, 1972 Nat’l Ass’n Ins. Comm’rs Proc. Vol. I, 490-518; *Executive Committee*, 1972 Nat’l Ass’n Ins. Comm’rs Proc. Vol. I, 22. The title of this model law was changed to “Unfair Trade Practices Act” in 1990. *Plenary Session*, 1990 Nat’l Ass’n Ins. Comm’rs Proc. Vol. IA, 6, 25, 122, 146. The text of Iowa Code §§ 507B.3 and 507B.6, in light of NAIC and Congressional history, makes clear the Iowa Legislature’s intent to prohibit enumerated unfair or deceptive acts or practices, but to also broadly prohibit unfair or deceptive acts or practices similar to the FTC Act prohibition. The primary difference with the FTC Act was the states’ intent to cover the business of insurance and to vest the consumer protection and market regulation responsibility in Iowa’s insurance commissioner.

61. Federal decisions under the FTC Act and state consumer protection laws sharing similar principles of deception make clear the a legislative intent to prohibit acts or practices that have the tendency or capacity to mislead prospective insurance purchasers. *Montgomery Ward & Co.*

v. *FTC*, 379 F.2d 666 (7th Cir. 1967); Iowa Code § 714.16(1)(f) (2015); *State ex rel. Miller v. Vertrue, Inc.*, 834 N.W.2d 12 (Iowa 2013). The prohibition on unfair practices extends to any practice that offends public policy established by law and is likely to cause substantial injury to insurance purchasers. The general prohibition on unfair or deceptive acts and practices in Iowa Code §§ 507B.3 and 507B.6 is supplemented by the enumerated *per se* violations, including, but not limited to those enumerated in Iowa Code §§ 507B.4, 507B.4A, 507B.4B, 507B.4C, and 507B.5 and Chapter 522B.

62. Iowa Code § 507B.7(1) provides:

If, after hearing, the commissioner determines that a person has engaged in an unfair method of competition or an unfair or deceptive act or practice, the commissioner shall reduce the findings to writing and shall issue and cause to be served upon the person charged with the violation a copy of such findings, an order requiring such person to cease and desist from engaging in such method of competition, act, or practice, and the commissioner may at the commissioner's discretion order any one or more of the following:

a. Payment of a civil penalty of not more than one thousand dollars for each act or violation of this subtitle, but not to exceed an aggregate of ten thousand dollars, unless the person knew or reasonably should have known the person was in violation of this subtitle, in which case the penalty shall be not more than five thousand dollars for each act or violation, but not to exceed an aggregate penalty of fifty thousand dollars in any one six-month period. If the commissioner finds that a violation of this subtitle was directed, encouraged, condoned, ignored, or ratified by the employer of the person or by an insurer, the commissioner shall also assess a penalty to the employer or insurer.

b. Suspension or revocation of the license of a person as defined in section 507B.2, subsection 1, if the person knew or reasonably should have known the person was in violation of this subtitle.

63. Iowa Code § 505.8(10) provides:

The commissioner may, after a hearing conducted pursuant to chapter 17A, assess fines or penalties; assess costs of an examination, investigation, or proceeding; order restitution; or take other corrective action as the commissioner deems necessary and appropriate to accomplish compliance with the laws of the state relating to all insurance business transacted in the state.

64. During the period of 2014 through 2015, Starr engaged in unfair and deceptive acts and practices in violation of Iowa Code § 507B.3, 507B.4(1)(a), 507B.4(1)(j), and 507B.4(2)(a):

A. creating consumer impressions that Respondents were offering insurance that provided health care coverage for pre-existing conditions; and

B. misrepresenting the benefits, advantages, conditions and terms of insurance policies.

65. Starr violated Iowa Code §§ 507B.3, 507B.4(1)(a), 507B.4(1)(j), and 507B.4(2)(a), and rules adopted pursuant to Iowa Code Chapter 507B.

66. The violations of Iowa Code §§ 507B.3, 507B.4(1)(a), 507B.4(1)(j), and 507B.4(2)(a), and applicable rules are grounds for the imposition of a civil penalty, an order of restitution and an order requiring such person to cease and desist from the unfair and deceptive acts, methods or practices pursuant to Iowa Code §§ 507B.6 and 507B.7.

67. The Commissioner may award the relief sought in the Statement of Charges pursuant to Iowa Administrative Code rule 191-3.22(9), which includes a cease and desist order permanently prohibiting Starr from engaging in any of the acts, methods, or practices set forth in the Statement of Charges, requiring the payment of civil penalties, and requiring the payment of costs.

68. Starr's failure to participate in the contested case proceeding is grounds for a default decision against Starr pursuant to Iowa Administrative Code rule 191—3.22(1).

Count 2
Unauthorized Insurance Producer

69. Iowa Code § 522B.2 requires persons, including business entities, to be licensed before selling, soliciting or negotiating insurance, or offering to the public for fee or commission any advice, counsel, or service with respect to the benefits, advantages, or disadvantages promised under any insurance policy, in the State of Iowa.

70. Iowa Code § 507A.5 prohibits any acts of doing an insurance business except as provided by and in accordance with the specific authorization of statute.

71. Starr acted as an insurance producer in the State of Iowa without the authorization of licensure and is subject to relief under Iowa Code §§ 507A.10 and 522B.17.

72. Starr's failure to participate in the contested case proceeding is grounds for a default decision against Starr pursuant to Iowa Administrative Code rule 191—3.22(1).

V. ORDERS

IT IS FURTHER ORDERED that Respondent Starr Insurance Group Inc. and its contracted producers, agents, employees and representatives are prohibited from transacting any insurance business in this state or from selling, soliciting or negotiating insurance; advising counseling or servicing any policy of insurance; managing, supervising, compensating, hiring, employing, approving or evaluating any persons required to be licensed insurance producers in this state; or providing any other insurance services to, receiving any compensation, fee or remunerations for any such insurance services from any person or entity engaged in the business of insurance in this state.

IT IS FURTHER ORDERED that Respondent Starr Insurance Group Inc. and its contracted producers, agents, employees and representatives are prohibited from engaging in any act or practice that violates Iowa Code §§ 507A.10 and 522B.2 and specifically from the following acts or practices:

A. Selling, soliciting or negotiating insurance into or from this state without an effective license as an insurance producer in the State of Iowa;

B. Advising, counseling or servicing any policy of insurance in or from this state without an effective license as an insurance producer in the state of Iowa and without the

insurance policy being issued by an insurance company effectively authorized by the Commissioner; or

C. Managing, supervising, compensating, hiring, employing, approving or evaluating any persons required to be licensed insurance producers in this state; or providing any other insurance services to, receiving any compensation, fee or remuneration for any such insurance services from, or being employed by any person or entity engaged in the business of insurance in this state. This provision does not prohibit the Respondent from (a) providing non-insurance services to a third party for which the Respondent may receive compensation from such third party's insurer, or (b) making claims directly to an insurance company for benefits due the Respondent pursuant to a policy of insurance under which the Respondent is a beneficiary.

IT IS FURTHER ORDERED that Respondent Starr Insurance Group Inc. and its contracted producers, agents, employees and representatives, in connection with any matter within the enforcement jurisdiction of the Commissioner, are prohibited from engaging in any unfair or deceptive act or practice that violates Iowa Code §§ 507B.3 or 507B.4, including:

- A. creating consumer impressions that Respondents were offering insurance that provided health care coverage for pre-existing conditions; or
- B. misrepresenting the benefits, advantages, conditions and terms of insurance policies.

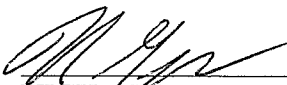
IT IS FURTHER ORDERED that Respondent Starr Insurance Group is hereby notified that a willful violation of this order shall constitute a willful act and a felony crime under Iowa Code § 507A.10.

IT IS FURTHER ORDERED that Respondent Starr Insurance Group shall, in accordance with 507B.7, pay civil penalties in the amount of \$3,000.00, made payable to the

Iowa Insurance Division, to be credited to the Enforcement Fund to provide funds for insurance enforcement and education.

IT IS FURTHER ORDERED that Respondent Starr Insurance Group shall pay \$440.00 as the Division's costs of filing and serving the Motion for Default, of drafting the proposed Order, and the costs of Service, made payable to the Iowa Insurance Division, to be credited to the Enforcement Fund to provide funds for insurance enforcement and education.

SO ORDERED on this 29 day of November, 2016



NICK GERHART
Commissioner of Insurance

AFFIDAVIT OF COMPLIANCE
Iowa Insurance Division

County of Polk)
)
State of Iowa) SS.

The undersigned affiant certifies under penalty of perjury and pursuant to the laws of the State of Iowa that he has caused to be delivered to the Secretary of State two copies of the preceding Default Decision and Order to Cease and Desist and for Civil Penalties and Costs as to Starr Insurance Group Inc., to be forwarded by certified mail one of the copies to Starr Insurance Group Inc. at its last known principal place of business at:

Starr Insurance Group Inc.
1800 North Federal Highway
Delray Beach, FL 33483

The undersigned further states that the aforementioned Order was served upon the other parties to this action through their respective attorneys at the following addresses:

William W. Graham
GRAHAM, ERVANIAN & CACCIATORE,
LLP
317 Sixth Avenue, Suite 900
Des Moines, Iowa 50309
Attorneys for Bryana Starr Sporn

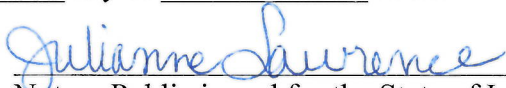
Heather L. Campbell
BELIN MCCORMICK
666 Walnut Street
Suite 2000
Des Moines, Iowa 50309-3989
Attorneys for Selected Market
Insurance Group, LLC

Kent M. Forney
BRADSHAW, FOWLER, PROCTOR &
FAIRGRAVE, P.C.
801 Grand Avenue, Suite 3700
Des Moines, Iowa 50309-8004
Attorneys for Xchange Benefits, LLC

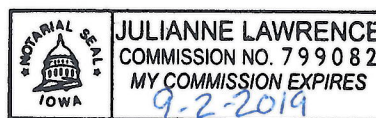
Brent D. Rosenberg
ROSENBERG & MORSE
1010 Insurance Exchange Building
505 Fifth Avenue
Des Moines, Iowa 50309
Attorneys for Pinansky, Dylan Sporn,
Marc Sporn, Consolidated USA and Amerco
Group

By: 
Dustin J. DeGroot

Subscribed and sworn to before me this 29th day of November 2016.


Notary Public in and for the State of Iowa

My commission expires 9-2-2019



AFFIDAVIT OF COMPLIANCE
Secretary of State

County of Polk)
) SS.
State of Iowa)

The undersigned affiant certifies under penalty of perjury and pursuant to the laws of the State of Iowa that he/she [circle one] on the _____ day of December, 2016 at _____: _____ a.m./p.m., [circle one] he/she [circle one] caused the preceding Default Decision and Order to Cease and Desist and for Civil Penalties and Costs as to Starr Insurance Group Inc. to be mailed by certified mail to Starr Insurance Group Inc. at the following address:

Starr Insurance Group Inc.
1800 North Federal Highway
Delray Beach, FL 33483

The undersigned further certifies that the other copy of the preceding Default Decision and Order to Cease and Desist and for Civil Penalties and Costs as to Starr Insurance Group Inc. was retained by the Secretary of State, and did contain a record of the day and hour of the service.

By:

[Sign above]

[Print name above]

Subscribed and sworn to before me this _____ day of _____ 2016.

Notary Public in and for the State of Iowa

My commission expires _____

NOTICE TO STARR INSURANCE GROUP INC.

You are hereby notified that the Default Decision and Order to Cease and Desist and for Civil Penalties and Costs as to Starr Insurance Group Inc. will become final agency action unless you file a motion to vacate within 15 days of the date of the mailing of the aforementioned document, pursuant to Iowa Administrative Code rule 191—3.22(3)(3). You are further notified that the Iowa Insurance Division may be entitled to a determination by default in its favor and against Starr Insurance Group Inc. after the expiration of forty-five days of the filing of an affidavit of compliance in accordance with Iowa Code § 507A.6.

You are further notified that the final administrative action may be reported to the National Association of Insurance Commissioners, to all insurance companies with which any Respondent has been appointed. You are further notified that this order is a public record under Iowa Code Chapter 22 that may be shared with other regulatory authorities or governmental agencies in accordance with Iowa Code § 505.8(8)(d). You are further notified that this order will be posted to the Iowa Insurance Division's website and a notation will be made to the publicly available website that administrative action has been taken against Starr Insurance Group Inc.

This order, once final, shall constitute a full and final resolution of the administrative action against Starr Insurance Group Inc. initiated by the Statement of Charges filed by the Division on September 8, 2014. Nothing contained herein shall prohibit the Division or the Commissioner of Insurance from taking additional administrative action against Starr Insurance Group for other violations of law over which the Commissioner has jurisdiction. Nothing contained herein shall prohibit the Division or the Commissioner from seeking to enforce this order.