

FILED

APR 20 2016

COMMISSION OF INSURANCE
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF:)
)
DONALD IRA PINANSKY;)
DYLAN BRENT SPORN;) Division File No. 85163
MARC SHAYE SPORN;)
BRYANA STARR SPORN;) **CONSENT ORDER AS TO**
CONSOLIDATED USA) **XCHANGE BENEFITS LLC**
INSURANCE, INC.;)
STARR INSURANCE GROUP INC.;)
AMERCO GROUP, INC.)
fka AMERCO INSURANCE, INC.;)
XCHANGE BENEFITS LLC; and)
SELECTED MARKET INSURANCE)
GROUP, LLC;)
)
Respondents.)

NOW COMES the Iowa Insurance Division and Respondent Xchange Benefits LLC, and hereby agree to the following consent order:

1. The Commissioner of Insurance, Nick Gerhart, pursuant to Iowa Code § 505.8, administers the Iowa Unfair Trade Practices Act – Iowa Code Chapter 507B, the Iowa Licensing of Insurance Producers Act – Iowa Code Chapter 522B, and the Iowa Unauthorized Insurers Act – Iowa Code Chapter 507A, and has jurisdiction to issue this order.
2. Xchange Benefits LLC (“Xchange Benefits”) is a Delaware limited liability company with an office address of Three Barker Avenue, White Plains, New York 10601.
3. The Division alleged that Xchange Benefits violated the laws of the state of Iowa through its contracts with Unified Life Insurance Company and other respondents.
4. Xchange Benefits disputes its conduct was in violation of any applicable laws.

5. A contested case hearing on the allegations was scheduled for December 2014, but was continued to allow the Division and respondents an opportunity to pursue settlement of this matter without the need for a hearing.

6. The Division acknowledges that Xchange Benefits has fully cooperated during the Division's investigation, and the Division and Xchange Benefits have agreed to the following in order to avoid costly litigation:

A. Xchange Benefits shall not act as a third party administrator or insurance producer in the state without registering or obtaining a license, as applicable.

B. In the event that Xchange Benefits does not obtain a third party administrator license within 60 days of this order and maintain that license in this state, then Xchange Benefits shall not contract with any insurer authorized to do the business of insurance in this state as an agent for the purpose of identifying, contracting with or appointing any individual producer, business entity producer, managing general agent or independent marketing organization, unless Xchange Benefits has developed policies and procedures implementing a system designed to reasonably detect unqualified participants in the insurance business, unlicensed producers and verify appropriate producer licensure in this state. These policies and procedures shall provide that Xchange Benefits will request and reasonably verify the names and identifying information of all persons whom it anticipates will be engaged in the:


- (i) Sale, solicitation or negotiation of insurance;
- (ii) Offering of advice, counsel or service with respect to the benefits, advantages or disadvantages promised under any policy of insurance; or
- (iii) Managing, supervising, compensating, hiring, employing, approving or evaluating any persons required to be licensed insurance producers in any state.

Further, these policies and procedures shall provide that (i) Xchange Benefits will conduct reasonable background inquiries of these identified persons using Web-based search engines and online systems such as LexisNexis Accurint or Westlaw CLEAR systems, or (ii) in the event a carrier with whom Xchange Benefits has contracted to provide services has assumed responsibility for conducting the diligence required herein, Xchange Benefits shall request copies of the relevant results of such diligence and ensure that it has been completed.

C. Xchange Benefits shall pay \$5,000 to the state of Iowa to the credit of the Restitution Fund of the Iowa Insurance Division, to be held by the Division as restitution for Iowa consumers who submit claims or complaints demonstrating the persons were aggrieved by the unlawful sales practices alleged against other respondents in this action.

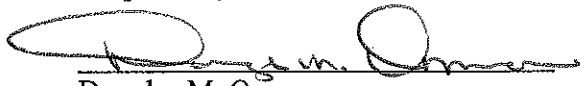
D. Xchange Benefits shall pay \$1,500 to the state of Iowa to the credit of the Insurance Enforcement Fund to provide funds for insurance enforcement and education.

SO ORDERED on this 20 day of April, 2016.



NICK GERHART
Commissioner of Insurance

Respectfully submitted,



Douglas M. Ommen
Deputy Commissioner

CONSENT

On behalf of Xchange Benefits LLC, the undersigned consents to the issuance of this order.

4/18/16
Date

XCHANGE BENEFITS LLC

By: 

EDWARD D. BROWNE
EUP & Principal