

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS**

In the Matter of	)	
NATIONAL ALLIANCE OF	)	Docket No. 3789-EO
ASSOCIATIONS	)	
Turnersville, New Jersey	)	
	)	
Thomas J. Sullivan,	)	3790-EO
President	)	
	)	
James M. Doyle	)	3791-EO
	)	
And	)	
	)	
Christopher Ashiotes	)	3792-EO

**EMERGENCY CEASE AND DESIST ORDER**

(Pursuant to K.S.A. 2006 Supp. 40-2,125 and K.S.A. 77-501 *et. seq.*)

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. 2006 Supp. 40-2,125, K.S.A. 2006 Supp. 40-2404, K.S.A Supp. 2006 40-2406, K.S.A 2006 Supp. 2006 40-2407, K.S.A. 40-4905 and in accordance with the Kansas Administrative Procedure Act (as amended), K.S.A. 77-501 *et. seq.*

I, Sandy Praeger, the duly elected, qualified and acting Commissioner of Insurance of the State of Kansas, hereby orders the entity and the individuals named above and their officers, directors, trustees, agents, employees, and affiliates (“Respondents”) to immediately cease and desist from doing the business of insurance in the State of Kansas and disseminating deceptive and misleading advertisements to Kansas residents.

**Findings of Fact**

The Commissioner finds the following facts:

1. National Alliance of Associations has as its address 141 Ganttown Road, Suite C, Turnersville, New Jersey 08012, telephone 856-374-1599.

2. National Alliance of Associations has not been granted a certificate of authority or license to conduct the business of insurance in the State of Kansas.
3. National Alliance of Associations is not and has not registered with the Kansas Secretary of State to do business in Kansas.
4. Thomas J. Sullivan, James M. Doyle and Christopher Ashiotes are associated with National Alliance of Associations. Thomas J. Sullivan is identified as the President of National Alliance of Associations in material sent to Kansas residents.
5. Thomas J. Sullivan is not licensed with the New Jersey Department of Banking and Insurance as an insurance producer.
6. Thomas J. Sullivan is not licensed by the Kansas Department of Insurance as an agent or to transact the business of insurance in the state of Kansas.
7. James M. Doyle, 141 Ganttown Rd., Suite E, Turnersville, New Jersey was previously licensed by the New Jersey Department of Banking and Insurance as a producer with license number 8935955. That license is now expired.
8. James M. Doyle is not licensed by the Kansas Department of Insurance to act as an agent or to transact the business of insurance in the state of Kansas.
9. Christopher Ashiotes, 177 Hamilton Place, East Windsor, New Jersey, was previously licensed by the New Jersey Department of Banking and Insurance as a producer with license number 8016584. That license is inactive.
10. Christopher Ashiotes is not licensed by the Kansas Department of Insurance to act as an agent or to transact the business of insurance in the state of Kansas.

11. Personal Benefits Consultants, Inc (“PBC”) PBC is engaged in the business of marketing sale and distribution of health and insurance products. Christopher Ashitoes and James Doyle are listed as Vice-Presidents of the company. Thomas J. Sullivan is the incorporator of PBC.
12. On January 16, 2008 KID received a complaint from Kansas resident Diana Conway (“Ms. Conway”). Ms. Conway stated that she signed up for insurance from National Alliance of Associations in November of 2007. Ms. Conway stated that she responded to a fax that she had received. The fax advertised “Affordable Health Insurance for Self Employed, Small Business, Individuals & Families”. The fax did not provide the name of the insurance company or any other identifying information, only a phone number of 888-605-7281. Ms. Conway stated that she was charged \$484.00 for this insurance.
13. Ms. Conway stated that the company was to take this money from her checking account. The draft was to be taken on December 15, but was processed on November 30. The next payment was to be drafted on January 15, 2008 but the company tried to take the money on December 24, 2007. Ms Conway stated that by this time she had faxed a request to cancel the insurance to the company on December 14, 2007. Ms. Conway further stated that the company used a different name when they tried to draft her account on December 24, 2007, but that her bank did not allow the draft.
14. Since that time Ms. Conway has made numerous calls to the company to refund her money. Ms. Conway states that when she calls, she is informed the company no longer exists.

15. Ms. Conway provided KID with copies of the documents she received from National Alliance of Associations. Attached to the bottom of the first page it states: “Insurance I.D. Card Plan C-1000”. The back of the card gives phone numbers for members to use to locate member services and providers.  
The card further states to “Mail Claims to National Alliance – CBMC PO Box 2647, Chino Hills, CA 91709.
16. A Google search for the address of PO Box 2647, Chino Hills, CA results in a website for “Health Care Discount Systems, Inc.”, which is not licensed with the Kansas Insurance Department.
17. The documents provided to Ms. Conway, contained a list of companies who provide the underwriting for the insurance policies. This list consists of Affinity Group Benefits Association, Consolidated Worker Risk Retention Group in association with Consolidated Workers Association and Minnesota E-Biz in association with Minnesota E-Business Association. None of these companies have been issued a certificate of authority or license by the Kansas Insurance Department to offer insurance in the State of Kansas.
18. An internet search for the website [www.naaus.org](http://www.naaus.org) conducted on January 30, 2008 showed that the website no longer existed. This is the website given to prospective as well as current customers for customer service and to learn more about their membership.

#### **Applicable Law**

19. K.S.A. 40-214 states, in pertinent part:

It shall be unlawful for any person, company, corporation or fraternal benefit society to transact the business of insurance, indemnity or suretyship, or do any act toward transacting such business, unless such person, company, corporation or fraternal benefit society shall have been duly authorized under the laws of this state to transact such business and shall have received proper written authority from the commissioner of insurance in conformity with the provisions of the laws of this state relative to insurance, indemnity and suretyship, and further, it shall be unlawful for any insurance company to effect contracts of insurance in this state on the life or person of residents of this state or on property located in this state except through persons duly licensed and certified in accordance with the insurance laws of this state and subject to the provisions of K.S.A. 40-245.

20. K.S.A. 2006 Supp. 40-2404 states, in pertinent part: The following are hereby defined as unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:
  - (1) Misrepresentations and false advertising of insurance policies. Making, issuing, circulating or causing to be made, issued or circulated, any estimate, illustration, circular, statement, sales presentation, omission or comparison which: (a) misrepresents the benefits, advantages, conditions or terms of any insurance policy.
  
21. K.S.A. 2006 Supp. 40-216 states, in pertinent part:
  - (a) No insurance company shall hereafter transact business in this state until certified copies of its charter and amendments thereto shall have been filed with and approved by the commissioner of insurance.
  
22. K.S.A. 40-2,125 states, in pertinent part:
  - (a) If the commissioner determines after notice and opportunity for hearing that any person has engaged or is engaging in any act or practice constituting a violation of any provisions of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following:
    - (3) that such person cease and desist from the unlawful act or practice and take such affirmative action as in judgment of the commissioner will carry out the purposes of the violated or potentially violated provision.
  
  - (c) If the commissioner makes written findings of fact that there is a situation involving an immediate danger to the public health, safety or welfare of the public interest will be irreparably harmed by delay in issuing an order under subsection (a)(3), the commissioner may issue an emergency temporary cease and desist order.

23. K.S.A. 2006 Supp. 40-4905 states, in pertinent part:
- (a) . . . it shall be unlawful for any person to sell, solicit or negotiate any insurance within this state unless such person has been issued a license as an insurance agent in accordance with this act.

**Conclusions of Law**

24. The Commissioner has jurisdiction over Respondents as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
25. The Commissioner finds that Respondents unlawfully offered insurance to Kansas residents when they are not licensed to conduct the business of insurance in the state of Kansas a violation of K.S.A. 40-214.
26. The Commissioner finds that Respondents unlawfully sold, solicited or negotiated insurance within this state without being issued a license, a violation of K.S.A. 2006 Supp. 40-4905.
27. In consideration of the above, and pursuant to K.S.A. 40-2,125 and K.S.A 77-536 the Commissioner of Insurance finds that such solicitations by NATIONAL ALLIANCE OF ASSOCIATIONS, THOMAS J. SULLIVAN, JAMES M. DOYLE AND CHRISTOPHER ASHITOES, constitutes an immediate danger to the public health, safety and welfare of Kansas residents. If NATIONAL ALLIANCE OF ASSOCIATIONS, THOMAS J. SULLIVAN, JAMES M. DOYLE AND CHRISTOPHER ASHITOES by whatever means and through whatever affiliated parties, are allowed to continue the unauthorized and unlicensed transaction of insurance in Kansas, and to deny just claims made by Kansas residents, those statutory violations which place the public health, safety or welfare in danger are likely to be repeated. Thus, the Commissioner must take

emergency action against NATIONAL ALLIANCE OF ASSOCIATIONS,  
THOMAS J. SULLIVAN, JAMES M. DOYLE AND CHRISTOPHER  
ASHITOES to protect the public interest.

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:**

1. That **NATIONAL ALLIANCE OF ASSOCIATIONS, THOMAS J. SULLIVAN, JAMES M. DOYLE AND CHRISTOPHER ASHITOES**, as well as their officers, directors, employees, managers, members, partners investors, affiliates, associates, agents and all other persons with actual knowledge of this Order, regardless of relation to or corporate or other form are, all **HEREBY ORDERED** to **IMMEDIATELY CEASE AND DESIST** from the further transaction of insurance in Kansas, by whatever means and through whatever parties.

**NOTICE AND OPPORTUNITY FOR HEARING**

Respondents, within fifteen (15) days of service of this Emergency Cease and Desist Order, may file with the Kansas Insurance Department a written request for hearing on this Summary Order, as provided by K.S.A. 77-542. In the event a hearing is requested, such request should be directed to:

John W. Campbell, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the agent/agency who is the subject of the hearing as provided by K.S.A. 40-4909(f). Costs shall include witness fees, mileage allowances, any costs associated with reproduction of documents which become part of the hearing record, and the expense of making a record of the hearing.

If a hearing is not requested, this Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period for requesting a hearing. The Final Order will constitute final agency action in the matter.

In the event the Petitioner files a petition for judicial review, the agency officer designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> St.  
Topeka, Kansas 66612

**IT IS SO ORDERED THIS 12th DAY OF MARCH, 2008, IN THE CITY OF TOPEKA,  
COUNTY OF SHAWNEE, STATE OF KANSAS.**



\_\_\_\_\_  
/s/ Sandy Praeger  
Sandy Praeger  
Commissioner of Insurance

BY:

\_\_\_\_\_  
/s/ John W. Campbell  
John W. Campbell  
General Counsel

**Certificate of Service**

The undersigned hereby certifies that above and foregoing Emergency Cease and Desist Order was served via the United States Postal Service, first-class postage prepaid, on this 12th day of March, 2008, addressed to the following:

National Alliance of Associations  
141 Ganttown Road, Suite C  
Turnersville, New Jersey 08012

Thomas J. Sullivan  
141 Ganttown Road, Suite C  
Turnersville, New Jersey 08012

James M. Doyle  
141 Ganttown Road, Suite C  
Turnersville, New Jersey 08012



Christopher Ashiotes  
141 Ganttown Road, Suite C  
Turnersville, New Jersey 08012

/s/ Stacy R. Bond \_\_\_\_\_  
Stacy R. Bond  
Staff Attorney