



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

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IN THE MATTER OF:

HUDSON VALLEY CONSULTANTS, LLC

(d/b/a/ CEO CLUB BENEFITS); METROPOLITAN

BUSINESS ALLIANCE, LLC (d/b/a NATIONAL

**Docket No. CA-11-40**

ASSOCIATION OF BUSINESS LEADERSHIP, LLC);

CEO CLUBS, INC. (a/k/a CEO CLUB or CEO CLUBS);

KEVIN R. DUNN

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### **Stipulation and Consent Order**

It is hereby stipulated and agreed between HUDSON VALLEY CONSULTANTS, LLC ("Hudson"); METROPOLITAN BUSINESS ALLIANCE, LLC ("MBA"); NATIONAL ASSOCIATION OF BUSINESS LEADERSHIP, LLC ("NABL"); CEO CLUB BENEFITS ("CEO Benefits"); CEO CLUBS, INC/CEO CLUB/CEO CLUBS ("CEO Club"); KEVIN R. DUNN ("KDUNN" and collectively, "Respondents") and the Insurance Commissioner of the State of Connecticut ("Commissioner") to wit:

WHEREAS, Metropolitan Business Alliance, LLC ("MBA"), is a North Carolina limited liability company doing business as National Association of Business Leadership, LLC ("NABL");

WHEREAS, Hudson Valley Consultants, LLC ("Hudson") is a Nevada limited liability company with an address of 2 Changebridge Road, West Building Suite 203,

Montville, New Jersey 07045, and doing business as CEO Club Benefits ("CEO Benefits");

WHEREAS, CEO Clubs, Inc., also known as CEO Club or CEO Clubs ("CEO Club"), is an association with an address of 15 Broad Street Suite 1120, New York, New York 10005-1972;

WHEREAS, NABL is an affiliated association of CEO Club, both of which act as sponsoring associations for providing, among other association benefits, health insurance benefits;

WHEREAS, Kevin Dunn is the Managing Director of Hudson, and President of MBA and has an address of 2 Changebridge Road, West Building, Suite 203, Montville, NJ 07045;

WHEREAS, Conn. Gen. Stat. §38a-41 provides, in relevant part, no insurance company or health care center shall do any insurance business or health care center business within this state until and except while it is permitted to do so under the terms of a license issued by the commissioner;

WHEREAS, Conn. Gen. Stat. §38a-271 defines the acts defined to be doing an insurance business in the state which include the making of or proposing to make, as an insurer, an insurance contract; the taking or receiving of any application for insurance; the receiving or collection of any premium, commission, membership fees, assessments, dues or other consideration for any insurance or any part thereof; the issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state; directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of another any person or insurer in the solicitation, negotiation, procurement or effectuation of insurance or renewals thereof or in the dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts, or inspection of risks, a filing of rates or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and arising out of it, or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance

resident, located or to be performed in this state, the doing of or proposing to do any insurance business in substance equivalent to any of the foregoing in a manner designed to evade the provisions of the general statutes relating to insurance; and any other transactions of business in this state by an insurer. The venue of an act committed by mail is at the point where the matter transmitted by mail is delivered and takes effect.

WHEREAS, Conn. Gen. Stat. §38a-513 provides "No group health insurance policy, as defined by the commissioner, or certificate shall be issued or delivered in this state unless a copy of the form for such policy or certificate has been submitted to and approved by the commissioner under the regulations adopted pursuant to this section;

WHEREAS, Conn. Gen. Stat. §38a-513d provides " (b) Each group health insurance policy, subscriber contract or certificate of coverage delivered or issued for delivery in this state on or after January 1, 2008, that provides limited coverage, and any marketing material, application for coverage and enrollment material relative to such policy, contract or certificate, shall include the following statement printed in capital letters in not less than twelve-point bold face type and located in a conspicuous manner on such document: "THIS LIMITED HEALTH BENEFITS PLAN DOES NOT PROVIDE COMPREHENSIVE MEDICAL COVERAGE. IT IS A BASIC OR LIMITED BENEFITS POLICY AND IS NOT INTENDED TO COVER ALL MEDICAL EXPENSES. THIS PLAN IS NOT DESIGNED TO COVER THE COSTS OF SERIOUS OR CHRONIC ILLNESS. IT CONTAINS SPECIFIC DOLLAR LIMITS THAT WILL BE PAID FOR MEDICAL SERVICES WHICH MAY NOT BE EXCEEDED. IF THE COST OF SERVICES EXCEEDS THOSE LIMITS, THE BENEFICIARY AND NOT THE INSURER IS RESPONSIBLE FOR PAYMENT OF THE EXCESS AMOUNTS. THE SPECIFIC DOLLAR LIMITS ARE AS FOLLOWS: (INSURER TO SPECIFY SUCH AMOUNTS)."

WHEREAS, Conn. Gen. Stat. §38a-702b provides in relevant part "A person shall not sell, solicit or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority in accordance with sections 38a-702a to 38a-702r, inclusive;

WHEREAS, in December 2009, KDunn, on behalf of the CEO Club and NABL entered into a contract with William M. Worthy, II ("Worthy"), David L. Clark ("Clark");

Louis DeLuca ("DeLuca"); Gary L. Karns, Jr. ("Karns"); David L. Nellson ("Nellson"), Arnold Katz ("Katz" and collectively "Worthy et al." ) to provide limited medical insurance to members of CEO Clubs and NABL;

WHEREAS, the above referenced contracted medical insurance was marketed through the CEO Club website and by contacting CEO Club Benefits as "CEO Clubs Health Insurance";

WHEREAS, there is no record that the limited medical insurance that was offered through the CEO Club website or by contacting CEO Club Benefits was issued by an insurer licensed pursuant to section 38a-41 of the Connecticut general statutes, nor were the forms used filed and approved pursuant to sections 38a-513 and 38a-513d of the Connecticut general statutes;

WHEREAS, there is no record that either CEO Benefits, MBA, NABL, or CEO Club is licensed pursuant to Conn. Gen. Stat. §38a-702b to sell, solicit, or negotiate insurance for any class of insurance for any line of authority in Connecticut;

WHEREAS, the Commissioner has alleged that Hudson, CEO Benefits, MBA, NABL, CEO Club and KDunn, pursuant to Conn. Gen. Stat. §38a-271, assisted and aided directly in the procurement of unauthorized insurance contracts and certificates issued to Connecticut residents by directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of another any person or insurer in the solicitation, negotiation, procurement or effectuation of insurance thereof or in the dissemination of information as to coverage or rates, or forwarding of applications, or in the transaction of matters subsequent to effectuation of the contract and arising out of it, or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident, located or to be performed in this state;

WHEREAS, CEO Benefits, MBA, NABL, and CEO Club admit to violations on their part of section 38a-702b of the Connecticut general statutes by soliciting health insurance to a population which included Connecticut residents, without a license issued

by the Commissioner, via a website which was available to, and could be accessed by, Connecticut residents;

WHEREAS, CEO Benefits, MBA, NABL, CEO Club and KDUNN, admit to violations on their part of section 38a-271 of the Connecticut general statutes by assisting and aiding directly in the procurement of unauthorized insurance contracts and certificates issued to Connecticut residents by directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of another person in the solicitation, and in the dissemination of information as to coverage or rates, or forwarding of applications;

WHEREAS, the Respondents do not admit they knowingly assisted and aided in the solicitation of unauthorized insurance in violation of section 38a-271 of the Connecticut general statutes;

WHEREAS, Respondents do not admit they knowingly violated section 38a-702b of the Connecticut general statutes by soliciting health insurance to a population which included Connecticut residents, without a license issued by the Commissioner, via a website which was available to, and could be accessed by, Connecticut residents;

WHEREAS, the Respondents being desirous of avoiding the expense and time-consuming process of formal administrative proceedings or future litigation, voluntarily waive:

1. any right to a hearing;
2. any requirement that the Commissioner's decision contain a statement of findings of fact and conclusions of law; and
3. any and all rights to object to or challenge before the Commissioner or in any judicial proceeding any aspect, provision, or requirement of this Stipulation and Consent Order.

NOW THEREFORE, upon consent of the parties, it is hereby agreed and ordered:

1. That the Commissioner has subject matter jurisdiction for this administrative proceeding.

2. That Hudson, CEO Benefits, MBA, NABL, CEO Club and KDunn shall cease and desist any and all solicitations, whether in person, by mail, telephone, fax or via internet, of any insurance products to Connecticut residents.
  
3. That Hudson, CEO Benefits, MBA, NABL, CEO Club and KDunn shall not, in Connecticut or with respect to Connecticut residents, engage in:
  - a. the making of or proposing to make, as an insurer, an insurance contract;
  - b. the making of or proposing to make, as guarantor or surety, any contract of guaranty or suretyship as a vocation and not merely incidental to any other legitimate business or activity of the guarantor or surety;
  - c. the taking or receiving of any application for insurance;
  - d. the receiving or collection of any premium, commission, membership fees, assessments, dues or other consideration for any insurance or any part thereof;
  - e. the issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state;
  - f. directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of another any person or insurer in the solicitation, negotiation, procurement or effectuation of insurance or renewals thereof or in the dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts, or inspection of risks, a filing of rates or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and arising out of it, or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident, located or to be performed in this state.
  - g. the doing of or proposing to do any insurance business in substance equivalent to any of the foregoing in a manner

designed to evade the provisions of the general statutes relating to insurance; and,

h. any other transactions of business in this state by an insurer or producer whether in-person, by mail, fax, telephone, or internet.

4. Nothing in this Order shall be interpreted to prohibit any action otherwise permitted by applicable law.

1. Consented and agreed to this 16<sup>th</sup> day of June, 2011.

**HUDSON VALLEY CONSULTANTS, LLC**

BY: \_\_\_\_\_

Name: Kevin R. Dunn

Title: Managing Director

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated June 6<sup>th</sup>, 2011, for on behalf of HUDSON VALLEY CONSULTANTS, LLC, he/she is Managing Director and he/she is authorized to execute this instrument.

\_\_\_\_\_  
KRD

2. Consented and agreed to this June 16<sup>th</sup> day of June, 2011.

**METROPOLITAN BUSINESS ALLIANCE, LLC**

BY: \_\_\_\_\_

Name: Kevin R. Dunn

Title: Director

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated June 16<sup>th</sup>, 2011, for an on behalf of METROPOLITAN BUSINESS ALLIANCE, LLC, he/she is Director and he/she is authorized to execute this instrument.

  
\_\_\_\_\_

3. Consented and agreed to this June 16 day of June, 2011.

**NATIONAL ASSOCIATION OF BUSINESS LEADERSHIP, LLC**

BY:   
\_\_\_\_\_

Name: Kevin R. Dunn  
Title: Director

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated June 16<sup>th</sup>, 2011, for an on behalf of NATIONAL ASSOCIATION OF BUSINESS LEADERSHIP, LLC, he/she is Director and he/she is authorized to execute this instrument.

  
\_\_\_\_\_

4. Consented and agreed to this 16<sup>th</sup> day of June, 2011.

**CEO CLUB BENEFITS**

BY:   
Name: Kevin R. Dan  
Title: Music Director

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated July 16th, 2011, for an on behalf of CEO CLUB BENEFITS, he/she is Music Director and he/she is authorized to execute this instrument.



5. Consented and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 2011.  
**CEO CLUBS, INC/CEO CLUB/CEO CLUBS**

BY: \_\_\_\_\_  
Name:  
Title:

*See counterpart*

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated \_\_\_\_\_, 2011, for an on behalf of CEO CLUBS, INC/CEO CLUB/CEO CLUBS, he/she is \_\_\_\_\_ and he/she is authorized to execute this instrument.

See Counterpart

6. Consented and agreed to this 16th day of June, 2011

**KEVIN R. DUNN**

BY:  \_\_\_\_\_

Name:

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated June 16th, 2011, for an on behalf of KEVIN R. DUNN, he/she is \_\_\_\_\_ and he/she is authorized to execute this instrument.

 \_\_\_\_\_

SO ORDERED on this \_\_\_\_\_ day of \_\_\_\_\_, 2011 at Hartford, Connecticut.

\_\_\_\_\_  
Thomas B. Leonardi  
Insurance Commissioner

BY: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated \_\_\_\_\_, 2011, for an on behalf of CEO CLUB BENEFITS, he/she is \_\_\_\_\_ and he/she is authorized to execute this instrument.

5. Consented and agreed to this 16 day of June, 2011.  
 CEO CLUBS, INC/CEO CLUB/CEO CLUBS

BY: Joseph Mancuso  
 Name: Joseph Mancuso  
 Title: President

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated June 16, 2011, for an on behalf of CEO CLUBS, INC/CEO CLUB/CEO CLUBS, he/she is President and he/she is authorized to execute this instrument.

*John Manno*  
\_\_\_\_\_

6. Consented and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 2011

KEVIN R. DUNN

*See Counterpart*

BY: \_\_\_\_\_

Name:

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated \_\_\_\_\_, 2011, for an on behalf of KEVIN R. DUNN, he/she is \_\_\_\_\_ and he/she is authorized to execute this instrument.

\_\_\_\_\_

SO ORDERED on this \_\_\_\_\_ day of \_\_\_\_\_, 2011 at Hartford, Connecticut.

\_\_\_\_\_

Thomas B. Leonardi  
Insurance Commissioner

See Counterpart

6. Consented and agreed to this 16<sup>th</sup> day of June, 2011

**KEVIN R. DUNN**

BY: 

Name:

**CERTIFICATION**

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement dated June 16<sup>th</sup>, 2011, for an on behalf of KEVIN R. DUNN, he/she is \_\_\_\_\_ and he/she is authorized to execute this instrument.



SO ORDERED on this 27<sup>th</sup> day of June, 2011 at Hartford, Connecticut.



Thomas B. Leonardi  
Insurance Commissioner