

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)
and Insurance, State of New Jersey, to fine) CONSENT
the insurance license of Jie Luo,) ORDER
Reference No. 0089283)

To: Jie Luo
12 Kenwood Lane
Matawan, NJ 07747-3712

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Jie Luo (“Respondent”), licensed as a resident insurance producer, pursuant to N.J.S.A. 17:22A-32, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (2), an insurance producer shall not violate any insurance laws, or violate any regulation, subpoena or order of the Commissioner or of another state’s insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17B:30-4, no person shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance and annuities or with respect to any person in the conduct of his insurance and annuity business, which is untrue, deceptive or misleading; and

WHEREAS, pursuant to N.J.A.C. 11:2-23.4(a), advertisements shall be truthful and not misleading in fact or by implication; words or phrases the meaning of which is clear only by implication or by familiarity with insurance terminology shall not be used; the form and content of an advertisement of a policy shall be sufficiently complete and clear so as to avoid deception; and the advertisement shall not have the capacity or tendency to mislead or deceive; and

WHEREAS, pursuant to N.J.A.C. 11:2-23.4(b), whether an advertisement has the capacity or tendency to mislead or deceive shall be determined by the Commissioner from the overall impression that the advertisement may be reasonably expected to create upon a person of average education or intelligence within the segment of the public to which it is directed; and

WHEREAS, pursuant to N.J.A.C. 11:2-23.5(b), no advertisement shall omit material information or use words, phrases, statements, references, or illustrations if such omission or such use has the capacity, tendency, or effect of misleading or deceiving

purchasers or prospective purchasers as to the nature or extent of any policy benefit payable, loss covered, premium payable, or State or Federal tax consequences; and

WHEREAS, pursuant to N.J.A.C. 11:2-23.6(a), the name of the insurer shall be clearly identified, and if any specific individual policy is advertised it shall be identified either by form number or other appropriate description; and an advertisement shall not use a trade name, an insurance group designation, name of parent company of the insurer, name of a particular division of the insurer, service mark, slogan, symbol, or other device or reference without disclosing the name of the insurer, if the advertisement would have the capacity or tendency to mislead or deceive, as to the true identity of the insurer or create the impression that a company other than the insurer would have any responsibility for the financial obligation under a policy; and

WHEREAS, the Respondent placed in the Global Chinese Times an advertisement for fixed annuities in June 2016, which guaranteed a 50% interest bonus with no market risk involved and guaranteed life income and the ability to generate income without the loss of any principle; however the advertisement did not describe how the 50% interest bonus could be realized with no market risk involved, and did not explain the guaranteed life income and the ability to generate income without loss of any principle, in violation of N.J.S.A. 17:22A-40a (2) and (8), N.J.S.A. 17B:30-4, N.J.A.C. 11:2-23.4(a) and (b), and N.J.A.C. 11:2-23.5(b); and

WHEREAS, the advertisement in the Global Chinese Times failed to identify the insurance company that offered the annuities by name, form number or other appropriate description, in violation of N.J.S.A. 17:22A-40a (2) and (8) and N.J.A.C. 11:2-23.6 (a); and

WHEREAS, the Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"),

WHEREAS, the Respondent has waived her right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of \$2,500.00 and;

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing;

NOW, THEREFORE, IT IS on this 30th day of March, 2017

ORDERED AND AGREED, that the Respondent pay a fine in the amount of \$2,500.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or money order made payable to the State of New Jersey, General Treasury, which shall be paid upon execution of this Consent Order by Respondent; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order, together with the fine payment of \$2,500.00, shall be remitted to:

New Jersey Department of Banking and Insurance
Attention: Virgil Downtin - Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P. O. Box 329
Trenton, New Jersey 08625

and

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the fine is not made, the Commissioner may exercise any and all remedies available by

law, including but not limited to, recovery of any unpaid penalties in summary proceedings, in accordance with the penalty enforcement law, N.J.S.A. 2A:58-10 et seq: and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED, that the Respondent shall cease and desist engaging in the conduct that gave rise to this Consent Order.

Peter L. Hartt
Director of Insurance

Consented to as to Form,
Entry and Content

By: Jie Luo
Jie Luo

03/28/2017
Date