

STATE OF NEW JERSEY

IN THE MATTER OF:

Proceedings by the Commissioner of )  
 Banking and Insurance, State of New Jersey, )  
 to fine, suspend and/or revoke the insurance ) ORDER TO SHOW CAUSE  
 producer license of Biyun Zong, Reference )  
 No. 1618180. )

TO: Biyun Zong  
 124 Old Wood Lane  
 Boonton, New Jersey 07005

This matter, having been opened by the Commissioner of Banking and Insurance, State of New Jersey (“Commissioner”), upon information that Biyun Zong (“Zong” or “Respondent”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Zong is currently licensed as a resident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32(a), which license expires on May 31, 2026; 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 to -48 (“Producer Act”), the Producer Licensing regulations promulgated thereunder, N.J.A.C. 11:17-1.1 to -2.17, the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8, and the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 to -30 (“Fraud Act”); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(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-40(a)(7), an insurance producer shall not commit any insurance unfair trade practice or fraud; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(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. 17:22A-40(a)(12), an insurance producer shall not knowingly accept insurance business from an unlicensed insurance producer; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.2, in cases where an applicant's signature is required, an insurance producer who takes an application for insurance shall be required to witness the signature of the prospective insured on the application prior to the submission of the application to the insurer only when the application is signed by the applicant after having been completed in a face to face meeting between the producer and the prospective insured; and

WHEREAS, pursuant to N.J.A.C. 11:17B-2.1(a), no insurance producer shall pay any commission to any unlicensed individual or organization for services rendered in this State as an insurance producer except for services rendered while licensed; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(a)(4)(b) of the Fraud Act, a person shall not prepare or make any written or oral statement, intended to be presented to any insurance company or producer for the purpose of obtaining an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to an insurance application; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty, or may take any combination of actions for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any licensee violating the Producer Act and/or the Insurance Producer Standards of Conduct is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense; additionally, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.11 and 11:17B-1.4, any licensee violating the Insurance Producer Standards of Conduct is subject to the same penalties imposed in accordance with the Producer Act and any other applicable law, and for the purpose of determining the existence of a violation and assessing a penalty thereunder, a separate violation shall be deemed to exist, and a separate penalty therefor shall be assessed, for each violation of the provisions of this subchapter; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5(c), violations of the Fraud Act subject the violator to civil penalties not to exceed \$5,000.00 for the first offense, not to exceed \$10,000.00 for the second offense, and not to exceed \$15,000.00 for each subsequent offense, and the court shall also award court costs and reasonable attorneys' fees; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, in addition to any other penalty, fine or charge imposed pursuant to law, any person who is found in any legal proceeding to have committed insurance fraud shall be subject to a surcharge in the amount of \$1,000.00; and

## ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that at all relevant times, Respondent was a New Jersey licensed resident insurance producer; and

IT FURTHER APPEARING, that at all relevant times, Respondent was an insurance agent under contract with the Nation Life Group to market and sell individual life insurance policies on behalf of Nation Life Group, its subsidiaries and affiliates; and

IT FURTHER APPEARING, that in connection with conducting her insurance business, Respondent engaged and paid commissions to Kin Kong (“Kong”), an individual not licensed as an insurance producer, to generate insurance business and to complete insurance applications on behalf of Respondent; and

IT FURTHER APPEARING, that on or about April 25, 2018, Respondent received from Kong two (2) applications for life insurance policies from Nation Life Group on behalf of proposed insureds “F.T.” and “F.L.,” both New Jersey residents. Said applications had been completed by Kong and signed by the proposed insureds prior to being received by Respondent; and

IT FURTHER APPEARING, that on or about April 26, 2018, Respondent also received from Kong two (2) applications for life insurance policies from Nation Life Group on behalf of proposed insureds “R.Z.” and “J.J.,” both New Jersey residents. Said applications had been completed by Kong and signed by the proposed insureds prior to being received by Respondent; and

IT FURTHER APPEARING, that Respondent then submitted to Nation Life Group the four (4) life insurance policy applications received from Kong. Respondent had signed each application as the “Soliciting Agent/Representative” and as the “Witness” to the insureds’ signatures; and

IT FURTHER APPEARING, that during its underwriting process, Nation Life Group was unable to verify the information contained in the four life insurance applications, and determined that certain Personally Identifiable Information (“PII”) provided on the applications for the proposed insureds was false and fraudulent; and

IT FURTHER APPEARING, that during its underwriting process, Nation Life Group also contacted the proposed insureds who then either terminated their pending life insurance applications and/or refused to cooperate with Nation Life Group’s requests for additional information to help clarify and support their applications; and

IT FURTHER APPEARING, that based upon the information obtained during underwriting, Nation Life Group determined that four insurance applications from Respondent had been completed and submitted without the knowledge or informed consent of the proposed insureds, and thus declined to issue any life insurance policies to the proposed insureds; and

IT FURTHER APPEARING, that effective January 3, 2019, Nation Life Group terminated its agency contract with Respondent; and

**COUNT ONE**

IT FURTHER APPEARING, that in connection with her work as an insurance producer, Respondent accepted insurance business from K.K., an unlicensed insurance producer, and paid commissions to K.K. for services rendered in this State, in violation of N.J.S.A. 17:22A-40(a)(2), (7), and (12), and N.J.A.C. 11:17B-2.1(a); and

**COUNT TWO**

IT FURTHER APPEARING, that Respondent engaged in fraudulent and dishonest practices, and demonstrated incompetence and untrustworthiness, in that on each Nation Life Group insurance application submitted, Respondent averred and affirmed that she was the

Soliciting Agent and personally witnessed the signature of each proposed insured when, in fact, Respondent did not complete the application in a face-to-face meeting with the proposed insureds and did not witness the proposed insureds sign their applications, in violation of N.J.S.A. 17:22A-40(a)(2), (7), (8) and (16), and N.J.A.C. 11:17A-4.2; and

**COUNT THREE**

IT FURTHER APPEARING, that for the purpose of obtaining an insurance policy, Respondent signed and submitted insurance applications containing material information that was false and misleading, specifically Respondent misrepresented that she was the Soliciting Agent and Witness for each application, and said applications also contained PII that was false and fraudulent, in violation of N.J.S.A. 17:22A-40(a)(2), (7), (8) and (16), and N.J.S.A. 17:33A-4(a)(4)(b); and

**NOW, THEREFORE, IT IS** on this 9<sup>th</sup> day of February, 2026:

ORDERED, that Respondent appear and show cause why her New Jersey insurance producer licenses should not be suspended or revoked pursuant to N.J.S.A. 17:22A-40; and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of not more than \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act and/or the Producer Standards of Conduct regulations, and order Respondent to pay restitution of moneys owed to any person, pursuant to N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why, in addition to any other penalty, he should not be required to reimburse the Department for the costs of the investigation and prosecution as authorized by N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a penalty of up to \$5,000 for the first violation, up to \$10,000 for the second violation, and up to \$15,000 for each subsequent violation of the Fraud Act, and order restitution, pursuant to N.J.S.A. 17:33A-5(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess costs of prosecution, including attorneys' fees, pursuant to N.J.S.A. 17:33A-5(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a surcharge in the amount of \$1,000.00 against Respondent, pursuant to N.J.S.A. 17:33A-5.1; and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at her expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED, that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondent and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Eugene R. Shannon, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Dakar R. Ross, Deputy Attorney General, Department of Banking and Insurance, P.O. Box 117, Trenton, New Jersey 08625. The request from each respondent shall contain the following:

- A. Respondent's full name, address, and daytime telephone number;
- B. A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- C. A specific admission or denial of each fact alleged in this Order to Show Cause. Where the Respondent has no specific knowledge regarding a fact alleged in the Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- D. A statement requesting a hearing.



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Susan Ochs  
Acting Commissioner