

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the)
Commissioner of Banking)
and Insurance to Fine)
Clements & Company,)
Certain Underwriters at)
Lloyd's, London and UNFCU)
Financial Services LLC)

**CONSENT
ORDER**

TO: Clements & Company
1301 K Street, NW
Suite 1200 West
Washington, DC 20005

Underwriters at Lloyd's, London - Syndicate 0308
Tokio Marine Kiln Syndicates Limited
20 Fenchurch Street
London EC3M 3BY
United Kingdom

Underwriters at Lloyd's, London - Syndicate 3622
Beazley Furlonge Limited
Plantation Place South
60 Great Tower Street
London EC3R 5AD
United Kingdom

UNFCU Financial Services LLC
2401 44th Rd
Long Island City, NY 11101

This matter having been opened by the Commissioner of the
Department of Banking and Insurance ("Commissioner"), State of New

Jersey, upon information that Clements & Company ("Clements"), certain Underwriters at Lloyd's, London ("Underwriters") and UNFCU Financial Services, LLC ("UNFCU") (collectively "Respondents") may have violated provisions of the laws of the State of New Jersey; and

WHEREAS, Clements is licensed as a nonresident producer pursuant to N.J.S.A. 17:22A-34; and

WHEREAS, Underwriters at Lloyds, London is an unauthorized insurer that qualifies as an alien eligible surplus lines insurer pursuant to N.J.S.A. 17:22A-6.45; and

WHEREAS, Underwriters - Lloyd's syndicates 0308 and 3622 - are Underwriting Members of Lloyd's that are managed by managing agents Tokio Marine Kiln Syndicates Limited and Beazley Furlonge Limited, respectively; and

WHEREAS, UNFCU is licensed as a nonresident producer pursuant to N.J.S.A. 17:22A-34; and

WHEREAS, N.J.S.A. 17B:23-8 provides that no insurer organized or existing under the law of another State, or of a foreign country, or any employee, agent or other representative thereof including, without limitation, promotional media, shall by mail or otherwise, transact in any manner, directly or indirectly, the business of insurance within this State unless and until: a. admitted to transact the business of insurance pursuant to the provisions of N.J.S.A. 17B:23-1 et seq. or b. specifically

permitted by any other law of this State to transact the business of insurance within this state; and

WHEREAS, N.J.S.A. 17B:23-9 provides, in pertinent part, that an insurer which performs, causes or suffers to be performed within this State certain acts with reference to persons located or resident in the State of New Jersey, by mail or otherwise, directly or indirectly, shall be deemed to be transacting the business of insurance within this State, which acts include the offering for sale, sale, promotion of, or issuance of any contract of insurance of any kind; and

WHEREAS, N.J.S.A. 17:22A-40a(2) provides that a producer shall not violate any insurance law, regulation, subpoena or order of the Commissioner or of another state's insurance regulator; and

WHEREAS, Underwriters is not authorized to issue life insurance to New Jersey residents; and

WHEREAS, Underwriters, Clements and UNFCU designed, and Clements and UNFCU marketed and administered a program involving the sale of term life insurance to members of the United Nations Federal Credit Union (the "Program"), including New Jersey residents, underwritten by Underwriters, an unauthorized insurer from 2011 to 2014, when the Program was closed to new entrants; and

WHEREAS, as many as 171 New Jersey residents were covered by the program, 53 of whom are no longer covered and 118 of whom may still be covered; and

WHEREAS, the New York Department of Financial Services issued a consent order with Respondents on November 27, 2017 calling for, among other things, the replacement of the current coverage with coverage issued by Monitor Life Insurance Company of New York ("Monitor"), an insurer licensed in New York, using group policy and certificate forms filed by the New York Department of Financial Services (the "New York Consent Order"); and

WHEREAS, the New Jersey Department of Banking and Insurance ("Department") finds that replacement coverage offered as a result of the New York Consent Order can lawfully cover New Jersey residents pursuant to N.J.S.A. 17B:17-13c(5) and N.J.S.A. 17B:23-11e;

WHEREAS, the Department acknowledges that the replacement coverage offered by Monitor (the "Replacement Master Policy") will provide conversion rights to any UNFCU member who elects to convert to an individual policy under circumstances which trigger conversion rights under the Replacement Master Policy (the "Conversion Policies") and at the Department's directive, the Conversion Policies will be provided by Monitor in accordance with the terms of the Replacement Master Policy or by

another carrier with authorization to issue such coverage in the State of New Jersey;

NOW, THEREFORE, IT IS on the 6th day of April, 2018

ORDERED AND AGREED that Clements, Underwriters and UNFCU shall each pay a fine in the amount of sixty thousand dollars (\$60,000.00) to the Department for a total fine paid by Respondents of one hundred eighty thousand dollars (\$180,000.00); and

IT IS FURTHER ORDERED AND AGREED that said fines shall each be paid by certified check, cashier's check or wire transfer payable to "State of New Jersey - General Treasury" upon the execution of this Consent Order by Respondents; and

IT IS FURTHER ORDERED AND AGREED that Respondents shall offer replacement coverage to New Jersey residents pursuant to the terms of the New York Consent Order except that the Cancellation and Replacement Date and all notices to New Jersey residents shall be adjusted to provide New Jersey residents not less than ninety (90) days' advance notice of the Cancellation and Replacement Date; and

IT IS FURTHER ORDERED AND AGREED that Respondents will not offer in New Jersey, now or in the future, insurance under the Program, or any equivalent program unless such program is compliant with New Jersey statutes and regulations, and the directives of

the Department and shall hereafter comply in all respects with New Jersey insurance statutes and regulations; 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 only the violations specified herein.



Marlene Caride
Acting Commissioner

**Consented to as to Form, Content,
and Entry:**

Clements & Company

By: Tarun Chopra
Tarun Chopra, President

Date: MAR 23 2018

Tokio Marine Kiln Syndicates Ltd.

By: _____
Charles Franks, Chief Executive Officer

Date: _____

Beazley Furlonge Limited

By: _____
Neil Maidment, Chief Underwriting Officer

Date: _____

UNFCU Financial Services LLC

By: _____
Stephen Ryerson, President

Date: _____

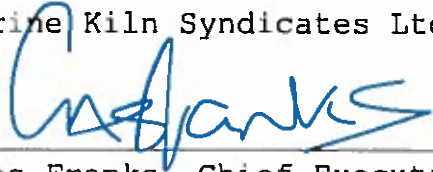
**Consented to as to Form, Content,
and Entry:**

Clements & Company

By: _____
Tarun Chopra, President

Date: _____

Tokio Marine Kiln Syndicates Ltd.

By:  _____
Charles Franks, Chief Executive Officer

Date: _____

Beazley Furlonge Limited

By: _____
Neil Maidment, Chief Underwriting Officer

Date: _____

UNFCU Financial Services LLC

By: _____
Stephen Ryerson, President

Date: _____

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and Entry:

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Tarun Chopra, President

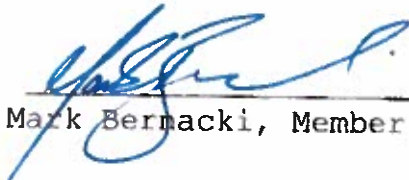
Date: _____

Tokio Marine Kiln Syndicates Ltd.

By: _____
Charles Franks, Chief Executive Officer

Date: _____

Beazley Furlonge Limited

By:  _____
Mark Bernacki, Member of the Board of Directors

Date: 03 APRIL 2018

UNFCU Financial Services LLC

By: _____
Stephen Ryerson, President

Date: _____

Consented to as to Form, Content,
and Entry:

Clements & Company

By: _____
Tarun Chopra, President

Date: _____

Tokio Marine Kiln Syndicates Ltd.

By: _____
Charles Franks, Chief Executive Officer

Date: _____

Beazley Furlonge Limited

By: _____
Neil Maidment, Chief Underwriting Officer

Date: _____

UNFCU Financial Services LLC

By:  _____
Stephen Ryerson, President

Date: 3/28/18