

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 |
| DGS Benefits Inc., Reference No. 9364726    | ) | ORDER   |
| and Thomas Murphy, Reference No. 8306629    | ) |         |

To: Thomas Murphy  
302 Oak Ridge Road  
Oak Ridge, NJ 07438

DGS Benefits, Inc.  
79 Chestnut Street, Ste 101  
Ridgewood, NJ 07450

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that DGS Benefits, Inc. ("DGS"), currently licensed as a resident business entity insurance producer, pursuant to N.J.S.A. 17:22A-32b, and its designated responsible licensed producer, Thomas Murphy ("Murphy"), currently licensed as a resident individual insurance producer, pursuant to N.J.S.A. 17:22A-32a, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, DGS and Murphy (collectively "Respondents") are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 (the "Producer Act"), and regulations governing the Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to N.J.A.C. 11:17D-2.8; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a, 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 for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance law, 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.A.C. 11:17B-3.2(c), no insurance producer may charge a service fee for services rendered in the sale or service of life or health insurance; and

WHEREAS, on or about July 10, 2018, the Respondents completed a health insurance application for New Jersey insured F.F. for coverage with Horizon Healthcare Services, Inc. dba Horizon Blue Cross Blue Shield of New Jersey; and

WHEREAS, subsequent to the submission of the health insurance application, the Respondents assessed the proposed insured a service fee of \$1,125.00 relative to the placement of said coverage, in violation of N.J.S.A. 17:22A-40a(2) and (8) and N.J.A.C. 11:17B-3.2(c); and

WHEREAS, the proposed insured did not pay the \$1,125.00 service fee and Respondents represent that this was the only instance in which they charged a service fee for life or health insurance; and

WHEREAS, the Respondents:

- 1) Have admitted responsibility for the aforementioned violations; and
- 2) Have cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"); and
- 3) Have asserted that the violations cited in this Consent Order were not willful; and

WHEREAS, cause does exist under N.J.S.A. 17:22A-40a and N.J.S.A. 17:22A-45c to impose a fine; and

WHEREAS, the Respondents have waived their right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of two thousand five hundred dollars (\$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 <sup>4<sup>th</sup></sup> 6 day of November, 2019

ORDERED AND AGREED, that the Respondents 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 the Respondents; 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  
9<sup>th</sup> Floor, Consumer Protection Services, Enforcement  
P.O. Box 329  
Trenton, New Jersey 08625-0329

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 Respondents shall cease and desist from engaging in the conduct that gave rise to this Consent Order.



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Marlene Caride  
Commissioner

Consented to as to Form,  
Entry and Content

DGS Benefits, Inc.

By:

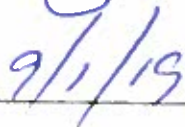


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Thomas Murphy, as the Designated Responsible  
Licensed Producer for DGS Benefits, Inc.



\_\_\_\_\_  
Thomas Murphy, Individually

Date:



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9/1/19