

DEC 29 1993

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPARTMENT OF INSURANCE
By

Docket No. 8310

In the Matter of)
)
)
 NATIONAL INVESTMENT CONSULTANTS,)
 INC.; NATIONAL INSURANCE)
 CONSULTANTS; ATLANTIC HEALTHCARE)
 BENEFIT TRUST; NATIONAL ASSOCIATION)
 OF AMERICA'S WORKERS; UNITED)
 HEALTHCARE BENEFITS TRUST; UNITED)
 ASSOCIATION OF SMALL BUSINESS;)
 UNITED HEALTH INSURANCE)
 ADMINISTRATORS; UNITED SMALL)
 BUSINESS INSURANCE AGENCY; UNITED)
 HEALTHCARE ASSOCIATION OF AMERICA;)
 NATIONAL MARKETING COMPANIES;)
 FUNDED ADMINISTRATION CORPORATION;)
 AMALGAMATED AMERICAN EMPLOYEES)
 WELFARE FUND; AMALGAMATED WELFARE)
 PLAN; AMERICAN FIDELITY)
 INSURANCE COMPANY OF ARIZONA;)
 AMERICAN FIDELITY TRUST; TRUSTEES)
 OF UNITED HEALTH CARE BENEFITS)
 TRUST; ALLIED WELFARE PLAN)
 ADMINISTRATION; ALLIED WELFARE PLAN)
 ADMINISTRATORS; INTERNATIONAL)
 DIVERSIFIED GROUP; T. U. &)
 ASSOCIATES; HAMEED ULLAH, a.k.a.)
 TONY ULLAH; NONNIE MARIA BRYAN;)
 ELIZABETH J. TAYLOR)
)
 Respondents.)
)

ORDER OF
CEASE AND DESIST

The Arizona Department of Insurance (the "Department")
 has received evidence that Respondent has transacted the
 business of insurance in the State of Arizona. Accordingly, the
 Director of Insurance (the "Director") makes the following
 Findings of Fact and Conclusions of Law and enters the following
 Order pursuant to A.R.S. § 20-401.02.

FINDINGS OF FACT

1. The Director is charged with the enforcement of
 Title 20, Arizona Revised Statutes, relating to insurance.

1 2. Respondent National Investment Consultants, Inc.
2 (NIC) is a foreign company organized and existing under the laws
3 of the State of Virginia, with its principal place of business
4 located at 3610 N. 44th Street, Phoenix, Arizona 85018.

5 3. Respondent does not and did not at any material
6 time hold a certificate of authority to transact the business of
7 insurance in the State of Arizona.

8 4. Documents filed with the Department establish that
9 from approximately April 4, 1992 through the present NIC markets,
10 marketed and/or issued a plan which purported to be group health
11 insurance coverage in the State of Arizona.

12 5. NIC marketed a purported health insurance plan
13 variously identified as and/or utilizing the following names:
14 National Insurance Consultants, Atlantic Healthcare Benefit
15 Trust, United Healthcare Benefits Trust, National Association
16 of America's Workers, United Association of Small Business,
17 United Health Insurance Administrators, United Small Business
18 Insurance Agency, United Healthcare Association of America,
19 National Marketing Companies, Funded Administration Corporation,
20 Amalgamated American Employees Welfare Fund, Amalgamated Welfare
21 Plan, American Fidelity Insurance Company of Arizona, American
22 Fidelity Trust, Trustees of United Health Care Benefits Trust,
23 International Diversified Group, Allied Welfare Plan
24 Administrators, T.U. & Associates. NIC and these entities
25 and/or dba's are not authorized to transact insurance in any
26 state in the United States. NIC and these entities' and/or
27 dba's principal place of business is 3610 N. 44th St.,
28 Phoenix, Arizona 85018.

1 6. These related entities and/or dba's do not
2 and/or did not at any material time hold a certificate of
3 authority to transact the business of insurance in the State of
4 Arizona.

5 7. Respondents NIC and its related entities did
6 solicit, induce and/or effectuate health insurance coverage,
7 enter into preliminary negotiations, effectuate a contract for
8 insurance, and/or transact matters subsequent to the
9 effectuation of the insurance contract and/or arising out of the
10 insurance contract for and/or with various individuals including
11 but not limited to the following Arizona residents: Kenneth
12 Linton of Casa Grande, Dennis G. Lindstrom of Mesa, Nancy
13 General dba Nancy Gee of Scottsdale and Sally Jo Swaine of
14 Scottsdale.

15 8. The solicitation, inducement and/or effectuation
16 of the insurance contracts described above includes the
17 procurement, preliminary negotiation, the taking or receiving of
18 applications, the collection of premium, the payment of
19 commissions, membership fees, dues or other consideration, the
20 active marketing of the insurance to prospective policyholders,
21 the quotations of premium rates, the providing applications
22 forms, and/or the payment of insurance claims.

23 9. Respondent Hameed Ullah, aka Tony Ullah,
24 is presently, and/or was at all times material to this matter,
25 acted as signatory on the bank account of National Marketing
26 Companies and is a principal of Respondents NIC, et al.

27 10. On and after April 4, 1992, Respondent Ullah
28 participated directly and/or through agents, partners, and/or

1 associations, in the solicitation, inducement and/or
2 effectuation of insurance contracts underwritten by carriers not
3 authorized to transact health insurance in Arizona.

4 11. Respondent Nonnie Maria Bryan is presently,
5 and/or was at all times material to this matter, a principal of
6 Respondents NIC, et al, acted as signatory on various
7 company bank accounts and/or aided Respondent Ullah in the
8 solicitation, inducement, and/or effectuation of insurance
9 contracts underwritten by insurance carriers not authorized to
10 transact health insurance in Arizona.

11 12. On and after April 4, 1992, Respondent Bryan
12 participated directly and/or through agents, partners, and/or
13 associations, in the solicitation, inducement and/or
14 effectuation of insurance contracts underwritten by carriers not
15 authorized to transact health insurance in Arizona.

16 13. Respondent Elizabeth J. Taylor is presently,
17 and/or was at all times material to this matter, a principal of
18 Respondents NIC, et al, acted as signatory on various
19 company bank accounts and aided Respondents Ullah and Bryan in
20 the solicitation, inducement and/or effectuation of insurance
21 contracts underwritten by insurance carriers not authorized to
22 transact health insurance in Arizona.

23 14. On and after April 4, 1992, Respondent Taylor
24 participated directly and/or through agents, partners, and/or
25 associations, in the solicitation, inducement and/or
26 effectuation of insurance contracts underwritten by carriers not
27 authorized to transact health insurance in Arizona.

28

1 15. Respondents Ullah, Bryan, Taylor, NIC, et
2 al, and/or each of them, did solicit, induce and/or transact
3 matters subsequent to the effectuation of the insurance contract
4 and/or arising out of the insurance contract for and/or with
5 individuals including but not limited to the following Arizona
6 residents: Kenneth Linton of CasaGrande; Dennis G.
7 Lindstrom of Mesa; Nancy General dba Nancy Gee of
8 Scottsdale; Sally Jo Swaine of Scottsdale.

9 16. The solicitation, inducement and/or effectuation
10 of the insurance contracts described above includes the
11 procurement, preliminary negotiation, the taking or receiving of
12 applications, the collection of premium, and/or payment of
13 commissions, membership fees, dues or other consideration,
14 active marketing of the insurance to prospective policyholders,
15 the quotation of premium rates, providing application forms,
16 and/or remitting the premiums to companies not authorized to
17 transact insurance in the State of Arizona.

18 CONCLUSIONS OF LAW

- 19 1. The Director has jurisdiction over this matter.
20 2. The conduct of Respondent as described in the
21 Findings of Fact above constitutes the transaction of insurance
22 within the meaning of A.R.S. § 20-106.
23 3. The conduct of Respondent as described above
24 constitutes the unauthorized transaction of insurance within the
25 meaning of A.R.S. §§ 20-106, 20-107 and 20-401.01.
26 4. The transaction of insurance by Respondent does
27 not impair the validity of any act or contract of the
28 Respondents.

1 3. Respondent shall pay all valid claims arising out
2 of acts covered by any and all insurance policies issued by
3 Respondent to Arizona residents for so long as such claims may
4 legally be brought by or against any insured.

5 4. Respondent shall, within thirty (30) days of the
6 date of this Order, remit to the Department of Insurance of the
7 State of Arizona any and all premium taxes applicable to the
8 unauthorized insurance transacted in the State of Arizona and
9 shall provide at the time of such submission an accounting
10 acceptable to the Director of Insurance of the State of Arizona.

11 5. Respondent shall, within thirty (30) days of the
12 date of this Order, remit to the Department of Insurance of the
13 State of Arizona the costs of examination associated this
14 proceeding in the following manner:

15 6. This Order shall become effective immediately and
16 shall remain in full force and effect until otherwise stayed,
17 modified, vacated or set aside.

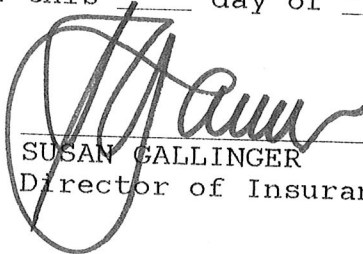
18 NOTICE OF OPPORTUNITY FOR HEARING

19 Pursuant to Titles 20 and 41 of the Arizona Revised
20 Statutes, Respondent is hereby notified that it may request a
21 hearing pursuant to A.R.S. § 20-161 to contest the order to
22 cease and desist. Such a request must be in writing and
23 received at the following address within thirty (30) days from
24 the date hereof:

25 Arizona Department of Insurance
26 Hearing Division
27 2910 North 44th Street, Suite 210
28 Phoenix, Arizona 85018

1 Upon receipt of a timely written request for hearing, the
2 Director will issue a notice setting the time and place of the
3 hearing.

4 DATED AND EFFECTIVE this 28th day of December, 1993.

5
6 
7 SUSAN GALLINGER
8 Director of Insurance

9 COPIES of the foregoing mailed/delivered
10 this 29th day of December, 1993, to:

11 National Investment Consultants, Inc.
12 Atlantic Healthcare Benefit Trust
13 United Healthcare Benefits Trust, et al
14 3610 N. 44th Street, Suite 250
15 Phoenix, Arizona 85018

16 Sidney Davis, Esq.
17 Assistant Attorney General
18 Consumer Protection and Antitrust Section
19 1275 W. Washington
20 Phoenix, Arizona 85007
21 Attorney for the Department of Insurance

22 Chris Herstam, Deputy Director
23 Charles Cohen, Assistant Deputy Director
24 Sandra Lewis, Executive Assistant
25 Gary A. Torticill, Assistant Director
26 Jay Rubin, Assistant Director
27 Erin Haney, Division Manager
28 Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

30 
31 Chris Crawford