

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking	)	CONSENT
and Insurance, State of New Jersey, to fine	)	ORDER
GSIS, Inc., Reference No. 1513918	)	

To: GSIS, Inc.  
2613 Manhattan Beach Blvd. 200  
Redondo Beach, CA 90278

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that GSIS, Inc. ("GSIS"), currently licensed as a nonresident business entity insurance producer, pursuant to N.J.S.A. 17:22A-34a, may have violated the insurance laws of the State of New Jersey; and

WHEREAS, GSIS ("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 (the "Producer Act"), the regulations governing the Insurance Producer Standards of Conduct, N.J.A.C. 11:17B-1.1. to -3.3, and the Surplus Lines Law, N.J.S.A. 17:22-6.40 to -6.67; 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.S.A. 17:22A-29, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed for that line of authority in accordance with the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22-6.42(c), if certain insurance coverages of subjects resident, located, or to be performed in this State cannot be procured from authorized insurers, such coverages may be procured from unauthorized insurers, provided, among other things, that the insurance is placed through a licensed New Jersey Surplus lines agent; and

WHEREAS, pursuant to N.J.A.C. 11:17B-3.1(b), any insurance producer charging a fee to an insured or prospective insured shall first obtain from the insured or prospective insured a written agreement, which shall be separate and apart from all other agreements and applications, and which shall contain specified provisions and no other provisions; and

WHEREAS, Respondent became licensed to sell surplus lines insurance in this State as of March 8, 2017; and

WHEREAS, from January 30, 2013 until or about March 9, 2017, the Respondent bound surplus lines policies for New Jersey insureds prior to becoming licensed to sell surplus lines insurance, in violation of N.J.S.A. 17:22A-40a(2) and (8), N.J.S.A. 17:22-6.42(c) and N.J.S.A. 17:22A-29; and

WHEREAS, from January 30, 2013 until or about May 8, 2017, the Respondents charged fees to surplus lines insureds without obtaining a separate written fee agreement, in violation of N.J.S.A. 17:22A-40a(2) and (8) and N.J.A.C. 11:17B-3.1(b); and

WHEREAS, Respondent:

- 1) Acknowledges the aforementioned violations; and
- 2) Has cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"); and
- 3) Has 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 Respondent has waived its right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of forty thousand dollars (\$40,000.00); 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 28<sup>th</sup> day of November, 2018

ORDERED AND AGREED, that the Respondent shall pay a fine in the amount of \$40,000.00; 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 Respondents; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order, together with the fine payment of \$40,000.00, 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 08625-329

and

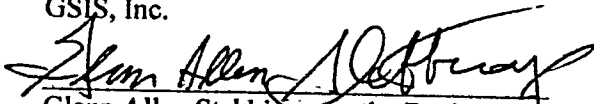
IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

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

  
\_\_\_\_\_  
Marlene Caride  
Commissioner

Consented to as to Form,  
Entry and Content

GSIS, Inc.

  
\_\_\_\_\_  
Glenn Allen Stebbings, as the Designated  
Responsible Licensed Producer for GSIS, Inc.

Date: \_\_\_\_\_

11/10/2018