



NEW YORK STATE  
DEPARTMENT OF FINANCIAL SERVICES  
ONE STATE STREET  
NEW YORK, NEW YORK 10004

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In the Matter of :  
A.G.I.A., Inc. :  
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**CONSENT ORDER**

The New York State Department of Financial Services (the “Department”) and A.G.I.A., Inc. (“A.G.I.A.” or the “Company”) are willing to resolve the matters described herein without further proceedings.

WHEREAS, A.G.I.A. has been licensed by the Department since 2009;

WHEREAS, the Department investigated A.G.I.A.’s business practices relating to insurance programs made available through unlicensed affinity groups in New York State;

WHEREAS, the Department’s investigation concluded that A.G.I.A., through these unlicensed affinity-insurance programs, delivered insurance policies to persons known to be New York residents; and

WHEREAS, the Department’s investigation also concluded that A.G.I.A compensated certain of these affinity groups for soliciting insurance products to their members, in violation

of New York Insurance Law § 2114.

NOW THEREFORE, in connection with an agreement to resolve this matter without further proceedings, the Department finds as follows:

### **THE DEPARTMENT'S FINDINGS**

#### **Introduction**

1. The Department is the insurance regulator of the State of New York, and the Superintendent of Financial Services has the authority to conduct investigations, bring enforcement proceedings, levy monetary penalties, and order injunctive relief against parties that have violated the relevant laws and regulations.

2. Section 2114(a) of the New York Insurance Law prohibits an insurance agent from “pay[ing] any commission or other compensation to any person for any services”<sup>1</sup> in obtaining any new contract of life insurance in New York, “except to a licensed life insurance agent of such insurer[.]” New York Insurance Law §§ 2114(a)(1), (2). Section 2114(a) also prohibits an insurance agent from “pay[ing] any commission or other compensation to any person, firm, association or corporation for services in soliciting, negotiating or selling in this state any new contract of accident or health insurance . . . , except to a licensed accident and health insurance agent of such insurer . . . , or to a licensed insurance broker of this state[.]” New York Insurance Law § 2114(a)(3).

#### **Events at Issue**

3. Between January 2015 and November 2020, A.G.I.A. delivered insurance policies to members of certain affinity groups. Pursuant to contracts between A.G.I.A. and these affinity groups, the affinity groups agreed to “sponsor” and/or “endorse” these insurance plans to their

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<sup>1</sup> A “‘person’ means an individual or a business entity.” New York Insurance Law § 2101(q).

members, and A.G.I.A agreed to compensate these affinity groups based on policies placed with members (including policies placed with New York residents). Certain of the affinity groups involved in these arrangements were not licensed by the Department.

4. These affinity groups marketed A.G.I.A.'s insurance services to their members through mailers, emails, and weblinks, urging their members to apply for A.G.I.A.'s insurance plans.

5. For example, in a mailer to its members, one affinity group's Chief Operating Officer endorsed a "Paycheck Protection Plan" designed for its members, asking them to "give this serious consideration." In another mailer, A.G.I.A.'s then-CEO signed a letter to this affinity group's members using the title "Benefits Officer" for the affinity group's "Benefit Program." Moreover, this letter displayed the affinity group's logo with no mention of A.G.I.A.

6. This former A.G.I.A. CEO used the same title and again failed to mention his association with A.G.I.A. when signing a letter to another affinity group's members. And in another mailer to these members, the affinity group's Chairman of the Board voiced his support to the offer "negotiated" by the affinity group for its members, stating, "I urge you to give strong consideration to" insurance plans offered to members and their spouses. Both mailers prominently displayed the affinity group's logo and stated that the offered insurance was "endorsed" by the group, with no mention of A.G.I.A.

7. In exchange for soliciting insurance, A.G.I.A. compensated these unlicensed affinity groups or had agreements to compensate them based on policies sold.

#### Violations of Law

8. A.G.I.A. compensated affinity groups based on the sale of insurance when those affinity groups acted as unlicensed insurance producers by selling and soliciting insurance in

New York State, in violation of Insurance Law § 2114(a).

NOW THEREFORE, to resolve this matter without further proceedings, the Department and the Company stipulate and agree to the following terms and conditions:

**SETTLEMENT PROVISIONS**

**Monetary Penalty**

9. No later than ten (10) days after the Effective Date (as defined below) of this Consent Order, the Company shall pay a total civil monetary penalty pursuant to Insurance Law § 2127(a) to the Department in the amount of One Hundred Ninety Thousand U.S. Dollars and 00/100 Cents (\$190,000.00). The payment shall be in the form of a wire transfer in accordance with instructions provided by the Department.

10. The Company shall not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.

11. The Company shall neither seek nor accept, directly or indirectly, reimbursement or indemnification with respect to payment of the penalty amount, including but not limited to, payment made pursuant to any insurance policy.

12. In assessing a penalty, the Department has taken into account factors that include, without limitation: the extent to which the Company has cooperated with the Department in the investigation of such conduct, the gravity of the violations, and such other matters as justice and the public interest may require.

**Full and Complete Cooperation**

13. The Company commits and agrees that it will fully cooperate with the Department regarding all terms of this Consent Order.

#### Further Action by the Department

14. No further action will be taken by the Department against the Company or its successors for the conduct set forth in this Consent Order, or in connection with the remediation set forth in this Consent Order, provided that the Company fully complies with the terms of the Consent Order.

15. Notwithstanding any other provision in this Consent Order, however, the Department may undertake additional action against the Company for transactions or conduct that were not disclosed in the written materials submitted to the Department in connection with this matter.

#### Waiver of Rights

16. The Company submits to the authority of the Superintendent to effectuate this Consent Order.

17. The parties understand and agree that no provision of this Consent Order is subject to review in any court, tribunal, or agency outside of the Department.

#### Parties Bound by the Consent Order

18. This Consent Order is binding on the Department and the Company, as well as any successors and assigns. This Consent Order does not bind any federal or other state agency or any law enforcement authority.

#### Breach of Consent Order

19. In the event that the Department believes the Company to be in material breach of the Consent Order, the Department will provide written notice to the Company, and the Company must, within ten (10) days of receiving such notice, or on a later date if so determined in the Department's sole discretion, appear before the Department to demonstrate that no

material breach has occurred or, to the extent pertinent, that the breach is not material or has been cured.

20. The Company understands and agrees that its failure to make the required showing within the designated time period shall be presumptive evidence of the Company's breach. Upon a finding that a breach of this Consent Order has occurred, the Department has all the remedies available to it under the New York Insurance Law and any other applicable laws, and may use any evidence available to the Department in any ensuing hearings, notices, or orders.

Notices

21. All notices or communications regarding this Consent Order shall be sent to:

For the Department:

Justin D. Parnes  
Assistant Deputy Superintendent  
Consumer Protection and Financial Enforcement  
New York State Department of Financial Services  
1 State Street,  
New York, NY 10004

For A.G.I.A., Inc.:

Matthew Bishop  
President and Chief Executive Officer  
300 E. Esplanade Drive, Suite 2010  
Oxnard, CA 93036

Miscellaneous

22. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.

23. This Consent Order may not be altered, modified, or changed unless in writing and signed by the parties hereto.

24. This Consent Order constitutes the entire agreement between the Department and the Company and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order.

25. Each provision of this Consent Order shall remain effective and enforceable against the Company, its successors, and assigns, until stayed, modified, suspended, or terminated by the Department.

26. In the event that one or more provisions contained in this Consent Order shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.

27. No promise, assurance, representation, or understanding other than those contained in this Consent Order has been made to induce any party to agree to the provisions of this Consent Order.

28. Nothing in this Consent Order shall be construed to prevent any consumer or any other third party from pursuing any right or remedy at law.

29. This Consent Order may be executed in one or more counterparts and shall become effective when such counterparts have been signed by each of the parties hereto (the "Effective Date").

*[remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the parties have caused this Consent Order to be signed on the dates set forth below.

**NEW YORK STATE DEPARTMENT OF  
FINANCIAL SERVICES**

**A.G.I.A., INC.**

By: /s/ Justin D. Parnes  
JUSTIN D. PARNES  
Assistant Deputy Superintendent for  
Consumer Protection and Financial  
Enforcement

By: /s/ Matthew Bishop  
MATTHEW BISHOP  
President and CEO

November 2, 2023

November 2, 2023

By: /s/ Alison L. Passer  
ALISON L. PASSER  
Deputy Director of Enforcement for  
Consumer Protection and Financial  
Enforcement

November 2, 2023

By: /s/ Christopher B. Mulvihill  
CHRISTOPHER B. MULVIHILL  
Deputy Superintendent for Consumer  
Protection and Financial Enforcement

November 3, 2023

**THE FOREGOING IS HEREBY APPROVED. IT IS SO ORDERED.**

/s/ Adrienne A. Harris  
ADRIENNE A. HARRIS  
Superintendent of Financial Services