

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,)
)
)
 Petitioner,)
)
)
 v.)
)
)
 YOURPEOPLE INC., DBA ZENEFITS FTW INSURANCE SERVICES, a licensed insurance producer in the State of Oklahoma,)
)
)
 Respondent.)

FILED

APR 14 2017

INSURANCE COMMISSIONER
OKLAHOMA

Case No. 16-1062-DIS

CONSENT ORDER

The State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, and YourPeople, Inc. DBA Zenefits FTW Insurance Services (“Respondent”), stipulate to the following facts and applicable laws. The parties consent to the entry of this Order.

JURISDICTION AND AUTHORITY

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., including the Oklahoma Producer Licensing Act (the “Act”), 36 O.S. §§ 1435.1 through 1435.41.

2. YourPeople, Inc. DBA Zenefits FTW Insurance Services (“Respondent”) is a licensed business entity insurance producer in the State of Oklahoma. Respondent’s mailing address of record is 303 2nd Street, Suite 450 North Tower, San Francisco, California 94107.

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Act and/or may levy a fine up to

\$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code. 36 O.S. § 1435.13(A) and (D).

STIPULATION OF FACTS

1. Respondent submitted multiple, audited reports to the Oklahoma Insurance Department (“OID”) showing that, between the period of January 1, 2014 through November 30, 2015, fourteen (14) employed individuals engaged in the sale, solicitation, or negotiation of insurance policies in the State of Oklahoma, on behalf of Respondent, without being properly licensed as Oklahoma nonresident insurance producers.

2. Specifically, the 14 individuals were involved in forty-three (43) customer transactions with Oklahoma residents. Within the 43 transactions, seventy-three (73) insurance policies were solicited and/or serviced by the 14 unlicensed employees of Respondent.

3. As of the date of this Consent Order, four (4) of the 14 individuals are still employed by Respondent. Presently, all 4 are properly licensed as nonresident insurance producers in the State of Oklahoma.

4. Respondent admits that violations of the Oklahoma Insurance Code occurred, as highlighted above, and has taken necessary steps to ensure future regulatory compliance regarding the licensing of producers. Specifically, Respondent:

(a) implemented new administrative and technical licensing controls to ensure that employees who engage in the sale, solicitation, or negotiation of insurance have appropriate resident and non-resident producer licenses;

(b) retained a nationally recognized accounting firm to evaluate the design and effectiveness of those administrative and technical controls;

(c) mandated that all of its producers complete 52 hours of continuing education

courses offered by the National Association of Health Underwriters, including 12 hours of ethics training; and

(d) reconstituted its Board of Directors, replaced its CEO and its head of sales, created the position of Chief Compliance Officer, and established a dedicated compliance team.

CONCLUSIONS OF LAW

1. Respondent has violated 36 O.S. § 6103.3(B) by directly or indirectly allowing unlicensed employees to engage in the acts of insurance business in the State of Oklahoma.
2. Respondent's utilization of unlicensed persons to solicit the sale of insurance constitutes a violation of 36 O.S. § 1435.13(A)(2).

ORDER AND CONSENT

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED by the Insurance Commissioner and agreed by Respondent that Respondent is hereby **CENSURED** and **FINED SIXTY THREE THOUSAND EIGHT HUNDRED AND SEVENTY-FIVE DOLLARS (\$63,875.00)** for violations of 36 O.S. §§ 1435.13(A)(2) and 6103.3(B).

WITNESS My Hand and Official Seal on this 13th day of April, 2017.

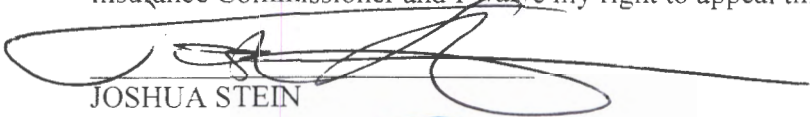




James A. Mills
Chief of Staff

VERIFICATION AND CONSENT


I, Joshua Stein, state that I have read this Consent Order. The contents and facts set forth in the order are true to the best of my knowledge. I consent to the entry of the Order by the Insurance Commissioner and I waive my right to appeal this Order.



JOSHUA STEIN

STATE OF ~~OKLAHOMA~~ ^{O.S.O} CALIFORNIA
COUNTY OF SAN FRANCISCO

This instrument was acknowledged before me on APRIL 4th, 2017 by JOSHUA STEIN.


Signature of Notarial Officer


Seal




NOTARY PUBLIC
Title

My commission expires:
12/23/2017

APPROVED:


Barron B. Brown
Assistant General Counsel


Therese M. Goldsmith
Counsel for Respondent

CERTIFICATE OF MAILING

I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing Consent Order was mailed by electronic mail and by certified mail, with postage prepaid and return receipt requested, on this 14th day of April, 2017, to:

Therese M. Goldsmith
Counsel for Respondent
Hogan Lovells US LLP
100 International Drive
Suite 2000
Baltimore, MD 21202
therese.goldsmith@hoganlovells.com

CERTIFIED MAIL NO. 7016 0910 0000 8401 4304

and that a copy was delivered to:

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Barron B. Brown
Assistant General Counsel

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