STATE OF NORTH DAKOTA

BEFORE THE INSURANCE COMMISSIONER

In the Matter of	)	**CEASE AND DESIST ORDER**
	)	**AND NOTICE OF**
Scott T. Fleckenstein,	)	**OPPORTUNITY FOR HEARING**
NPN 14927837,	)	
	)	**CASE NO. AG-15-540**
Respondent.	)	

TO: Scott T. Fleckenstein, 6320 South Tucana Lane, Gilbert, AZ 85298

Insurance Commissioner Adam Hamm ("Commissioner") has determined as follows:

1. N.D.C.C. § 26.1-01-03.1 authorizes the Commissioner to issue an Order to cease and desist when it appears that any person or business entity is or has engaged in an act or practice which violates or may lead to a violation of Title 26 of the North Dakota Century Code.

2. N.D.C.C. ch. 26.1-26 regulates the licensing of insurance producers.

3. N.D.C.C. § 26.1-26-03 states:

> No person may act as or hold oneself out to be an insurance producer, insurance consultant, or surplus lines insurance producer unless licensed under this chapter. A person may not sell, solicit, or negotiate insurance in this state for any class of insurance unless the person is licensed for that line of authority in accordance with this chapter. Any person willfully violating this section is guilty of a class C felony.

4. Scott T. Fleckenstein ("Respondent") is a licensed Arizona resident insurance producer. Respondent is not, and has never been, licensed as an insurance producer or an insurance consultant in the State of North Dakota.

5. The Commissioner has a reasonable basis to believe that the Respondent has engaged in, is engaging in, or is about to engage in, an act or practice as more fully described below which violates or may lead to a violation of N.D.C.C. title 26.1. It is necessary and appropriate, in the public interest and for the protection of insurance consumers to restrain these acts or practices of Respondent.

6. The Commissioner has come into information which alleges that Respondent has acted in the capacity of an insurance producer and/or insurance consultant as defined in N.D.C.C. § 26.1-26-02. Specifically, it is alleged that Respondent consulted with Preference Personnel in Fargo, North Dakota, regarding self-insured plans to comply with the Affordable Care Act requirements. Respondent presented Preference Personnel with a proposal for both a Minimum Essential Coverage (MEC) plan and a Minimum Value Plan (MVP) requiring a participation rate of 10 percent or 10 employees. The MVP plan premium included the cost of reinsurance for stop loss coverage. Preference Personnel accepted this proposal.

7. Employees of Preference Personnel signed up for the MEC and MVP plans and paid premiums for the plans with coverage to begin January 1, 2015. In February 2015, Preference Personnel was informed that to keep the MVP plan Preference Personnel would need a minimum participation of 25 employees and, therefore, the MVP plan was cancelled for the employees who had enrolled in that plan.

8. The documentation obtained during the investigation demonstrates that Respondent offered and sold "health insurance" which included stop loss insurance coverage. Respondent did this without obtaining a producer's license.

9. Respondent's conduct as set out above violates N.D.C.C. § 26.1-26-03.

NOW, THEREFORE, IT IS HEREBY ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Respondent, whether acting in the State of North Dakota as an insurance producer or consultant or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall immediately **CEASE AND DESIST** from soliciting, transacting, or otherwise engaging in the business of insurance in the State of North Dakota.

IT IS FURTHER ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Respondent may make a written request for a hearing on this matter within 30 days of the date of this Order.

If the Respondent fails to request a hearing in writing within 30 days after being served with a copy of this Cease and Desist Order, the Commissioner shall make the Cease and Desist Order permanent, as the facts require.

DATED this 28th day of April, 2015.

Adam Hamm
Commissioner
North Dakota Insurance Department
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505
(701) 328-244