

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN RE: PREMIER HEALTH)
SOLUTIONS, LLC,)
)
Respondent.)

Docket No. 21-022-I

STIPULATION AND CONSENT ORDER

WHEREAS, the Vermont Department of Financial Regulation (the “Department”) asserts that Premier Health Solutions, LLC (“Respondent”) has violated the insurance laws as set forth below; and

WHEREAS, Respondent and the Department wish to resolve these alleged violations without further administrative proceedings or litigation;

NOW, THEREFORE, Respondent and the Department stipulate and agree to the terms and conditions in this Stipulation and Consent Order.

FINDINGS OF FACTS

1. Respondent is a Texas limited liability company, formed on April 23, 2012, with a principal place of business at 2601 Network Boulevard, Ste. 500, Frisco, TX 75034.
2. Respondent is registered with the Vermont Secretary of State to transact business in the state as a Foreign Limited Liability Company. Respondent holds Vermont business ID # 0313228.
3. At all times relevant to this matter, Respondent held Vermont non-resident producer license # 3142609.
4. Respondent operates as “platform” on which third-party insurance and other financial products are offered to consumers, including supplemental insurance such as limited

benefit health insurance plans, short term medical plans, as well as other ancillary insured and non-insured benefits, such as health care sharing arrangements.

5. In exchange for a negotiated processing fee, Respondent performs marketing, enrollment and administrative functions, and fees/dues collections services for entities whose products Respondent offers on its platform.
6. Beginning in late 2020, the Department received at least four consumer complaints referencing Respondent. In each case, the complainant purchased health care sharing products on Respondent's platform.
7. After receiving the consumer complaints, the Insurance Division began an investigation into Respondent's market conduct.
8. Respondent cooperated with the Insurance Division's investigation, answering questions, and complying with requests for document production.
9. From at least July 2018 to December 2020, there were entities offering health products on Respondent's platform that were not licensed insurers. This included certain health care sharing ministries — entities that act as clearinghouses for members who typically share the same religious beliefs to make monthly payments to cover the health care expenses of other members.
10. From at least July 2018 to December 2020, Respondent offered health care sharing products from Altrua Crown Ministries ("Altrua"), and Alliance for Shared Health ("ASH") for sale on its platform.
11. From at least July 2018 to December 2020, Respondent performed marketing, enrollment and administrative functions, and collected fees/dues ("membership contributions") from Vermont residents on behalf of Altrua and ASH.

12. From approximately July 2018 to December 2020, Vermont residents enrolled in health care sharing products from Altrua and ASH through Respondent's platform and paid "membership contributions" to Respondent.
13. From approximately July 2018 to February 2022, Altrua and ASH paid Respondent approximately \$38,000 for Respondent's actions in the enrollment of Vermont residents in health care sharing products from Altrua and ASH.

DESCRIPTION OF VIOLATIONS

14. The Commissioner of Financial Regulation (the "Commissioner") is charged with enforcing the insurance laws and rules of the State of Vermont, including 8 V.S.A. §§ 4796 and 4804.
15. Under 8 V.S.A. § 3661, the Commissioner may impose a civil administrative penalty for each violation of Title 8, an administrative rule of the Department, or an order of the Commissioner relating to insurance. Except in cases of willful misconduct, each violation is subject to an administrative penalty of up to \$1,000.
16. 8 V.S.A. § 13(d) grants the Commissioner authority to order a person to make restitution or provide disgorgement of any sums shown to have been obtained in violation of provisions of Title 8 and Title 18 V.S.A. Chapter 221, plus interest at the legal rate.
17. It is a violation of 8 V.S.A. § 4796(e) for a licensed producer to accept fees for selling, soliciting, negotiating, or otherwise orchestrating the sale, enrollment, membership or other connection between Vermont residents and arrangements involving the sharing of health-related expenses that are not insurance as defined in 8 V.S.A. § 3301a.
18. The Department alleges that, throughout the relevant time period, Respondent, via its platform, facilitated the sale, enrollment, and membership of Vermont residents in

arrangements involving the sharing of health-related expenses by placing a written, electronic, or media communication directly before the public with the purpose of inducing Vermont residents to enroll therein.

19. The Department alleges that, by performing enrollment services and collecting membership contributions on behalf of Altrua and ASH, Respondent orchestrated the sale, enrollment and membership of Vermont residents in arrangements involving the sharing of health-related expenses that is not insurance as defined in 8 V.S.A. § 3301a.
20. The Department alleges that, by accepting fees for and orchestrating the sale, enrollment, and membership of Vermont residents in arrangements involving the “sharing” of health-related expenses by entities not licensed to engage in the insurance business, namely Altrua and ASH, Respondent committed violations of 8 V.S.A. § 4796(e).
21. Pursuant to 8 V.S.A. 4804(a)(3), the Commissioner may suspend, revoke, or refuse to continue or renew a producer’s license on the grounds that the producer has violated or failed to comply with any insurance laws or for a violation of any lawful rule, regulation, subpoena, or order of the Commissioner.
22. Pursuant to 8 V.S.A. 4804(a)(3), Respondent’s violations of 8 V.S.A. § 4796(e) constitute grounds for the Commissioner to revoke or refuse to continue or renew its non-resident producer’s license.

CONSENT ORDER

23. Within 30 calendar days of the entry of this Stipulation and Consent Order by the Commissioner, Respondent shall pay an administrative penalty of \$65,750. Payment shall be made via check made payable to the “Department of Financial Regulation” and mailed to:

Attn: Beth Sides
Department of Financial Regulation
Legal Division
89 Main Street
Montpelier, VT 05620-3101

24. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.
25. With respect to the facts and violations identified herein, Respondent waives its right to a hearing before the Commissioner or the Commissioner's designee and waives its right to all other administrative or judicial review otherwise available under Vermont law, including the rules of the Vermont Department of Financial Regulation and the provisions of 3 V.S.A., Chapter 25.
26. Respondent, while disagreeing with the Department's legal conclusions, acknowledges that the Findings of Fact are accurate and complete to the best of its knowledge.
27. This Stipulation and Consent Order is entered into solely for the purpose of resolving the violations identified herein, and it is not intended for nor shall it be used for any other purpose, including but not limited to other legal or quasi-legal proceedings.
28. This Stipulation and Consent Order is entered into by Respondent in order to settle a disputed claim and in no way is an acknowledgement or admission of any wrongdoing by the Respondent.
29. Respondent is entering into this Stipulation and Consent Order merely to avoid further time and expenses associated with the defense of this matter.
30. Respondent understands all terms and conditions in this Stipulation and Consent Order, consents to the entry of this Stipulation and Consent Order, and acknowledges that its

consent is given freely and voluntarily and that, except as set forth herein, no promise was made to induce Respondent's consent.

31. Noncompliance with any of the terms and conditions in this Stipulation and Consent Order shall be a violation of a lawful order of the Commissioner and a violation of the laws of the State of Vermont and may result in additional administrative action and the imposition of injunctive relief, sanctions, and additional penalties pursuant to applicable provisions of Title 8, including provisions imposing enhanced penalties for willful violations.
32. Nothing herein shall be construed as limiting the Commissioner's ability to investigate Respondent for violations not resolved herein (those identified above in Paragraphs 14-20). Nor shall anything herein be construed as limiting the Commissioner's ability to respond to and address any consumer complaints made with regard to Respondent. All issues related to Respondent's role in the sale or administration of the product known as Salvasen Health, which pre-date the date of entry of this Order, are resolved.
33. Nothing herein shall be construed as having relieved, modified, or in any manner affected Respondent's ongoing obligation to comply with all federal, state, or local statutes, rules, and regulations applicable to Respondent.
34. Nothing herein shall be construed as limiting any private right of action a person may have.
35. This Stipulation and Consent Order shall be governed by and construed under the laws of the State of Vermont.

36. If Respondent fails or neglects to comply with any of the terms and conditions set forth below, the Department may on written notice to Respondent, institute any legal or administrative proceedings it deems appropriate to enforce the Order.
37. Respondent agrees to voluntarily surrender its Vermont non-resident producer license #3142609 upon execution of this Stipulation and Consent Order by both parties hereto.
38. Respondent agrees not to re-apply for a Vermont non-resident producer license until after December 31, 2022. The Department agrees not to arbitrarily or capriciously withhold approval of such application.
39. Respondent agrees that it will not resume operation of a consumer-facing platform on which third-party insurance products are offered to Vermont residents unless and until Respondent re-applies for and receives a Vermont non-resident producer license. The Department agrees not to arbitrarily or capriciously withhold approval of such application.
40. Respondent agrees to perform independent due diligence as to whether products offered on its platform are approved for sale in Vermont and agrees to provide the Department with a summary of such due diligence in connection with its application and/or registration to receive a third-party administrator license beginning on January 1, 2023. The Department agrees not to arbitrarily or capriciously withhold approval of such application and/or registration.

41. Respondent agrees, upon execution of this Stipulation and Consent Order by both parties hereto, to immediately CEASE AND DESIST the following activities:

- (1) Any activities that may require a Vermont non-resident producer license;
- (2) Selling, soliciting, negotiating, or otherwise orchestrating the sale, enrollment, membership, or other connection between Vermont residents and any arrangement involving the sharing of health-related expenses or non-compliant association health plans; and
- (3) Stating in any medium (including e-mail, company websites, or video of any kind) that the products referenced in Paragraph 41(2) are available in all 50 states, or otherwise stating or implying that the plans are available in Vermont.


42. Notwithstanding the above, Respondent, as a registered third-party administrator in Vermont, may continue to provide third-party administration services to existing Vermont customers of insurance policies approved for sale in Vermont and offered by licensed insurers indefinitely, so long as Respondent is in compliance with the licensure requirements under Rule I-2021-01, which is effective July 1, 2022. The Department agrees not to arbitrarily or capriciously withhold approval of such application.

43. Respondent further acknowledges that the Commissioner retains jurisdiction over this matter for purposes of enforcing the Order.

SIGNATURES

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to. I certify under the pains and penalties of perjury that I have taken all necessary steps to obtain the authority to bind Respondent to this Stipulation and Consent Order and that I have been duly authorized to enter into this Stipulation and Consent Order on behalf of Respondent.

PREMIER HEALTH SOLUTIONS, LLC

By: 
Jeffrey J. Burley, Esq.
General Counsel

Date: June 8th, 2022

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated, agreed to, and ordered.

DEPARTMENT OF FINANCIAL REGULATION

By: 
Kevin J. Gaffney
Interim Commissioner
Vermont Department of Financial Regulation

Date: June 14th, 2022