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By Admin Hearings, Ins Dept at 8:30 am, May 29, 2024

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
ADROIT HEALTH GROUP LLC	:	40 P.S. §§ 310.11(7), (20),
700 Central Expressway South Suite 360	:	310.41a, 756.2(f)3
Allen, TX 75013	:	
	:	
	:	
	:	
	:	
Respondent.	:	Docket No. CO24-01-017

CONSENT ORDER

AND NOW, this 29th day of May, 2024, this Order is hereby issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that it has received proper notice of its rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. §§ 101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

FINDINGS OF FACT

3. The Pennsylvania Insurance Department (“Department”) finds true and correct each of the following Findings of Fact:

- (a) Respondent is Adroit Health Group LLC and maintains a record of its address with the Pennsylvania Insurance Department as 700 Central Expressway South Suite 360, Allen, TX 75013.
- (b) Respondent is, and at all times relevant hereto has been, a licensed Non-Resident Producer Agency.
- (c) Respondent since January 1, 2019, sold 16,367 group health policies through unfiled and unapproved associations to Pennsylvania consumers.
- (d) Respondent was informed by insurers that the policies were filed and approved for sale in all states. These assurances were not correct for many of policies which had not been filed with the Department.
- (e) Respondent, on October 12, 2022, entered into a Consent Order with the New Jersey Department of Banking and Insurance and was issued a \$677,500 penalty for violations related to misrepresentation of products, marketing and sales, and worthiness.
- (f) Respondent knew or should have known of the requirement for approval by the statutory filing requirements highlighted in Department Notice

2018-10 (48 Pa. B. 7282), the action identified in finding 3(c), and the associated investigation in New Jersey that some of the products that 374 of the products they were marketing were not approved for sale through associations, and that not all of the associations had been properly filed and approved by the Department.

- (g) Respondent, upon becoming aware of the unapproved associations, failed to cease the sale of such products.
- (h) Respondent, since October 1, 2022, sold 4,721 group health policies through unfiled and unapproved associations to Pennsylvania consumers. Although the associations were not approved the forms for these policies were approved by the Department.

#### CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 P.S. § 756.2(f)(3) requires insurers to demonstrate to the Department that an out-of-state association is bona fide prior to offering insurance policies to individuals through the association.

- (c) Respondent's activities described in paragraphs 3(c), (g), and (h) violate 40 P.S. § 756.2(f)(3).
- (d) 40 P.S. § 310.11(7) prohibits a licensee or an applicant from using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business.
- (e) Respondent's activities described in paragraphs 3(c) and 3(h) violate 40 P.S. § 310.11(7).
- (f) 40 P.S. § 310.11(20) prohibits a licensee or an applicant from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure.
- (g) Respondent's activities described in paragraphs 3(c), 3(g) and 3(h) violate 40 P.S. § 310.11(20).
- (h) 40 P.S. § 310.41a prohibits an insurance entity or licensee from accepting applications for insurance from any person or securing any insurance business that was sold, solicited, or negotiated by any person acting without a license.

- (i) Respondent's activities described in paragraphs 3(c) and 3(h) constitute doing business with unlicensed persons, in violation of 40 P.S. § 310.41a.
  
- (j) Respondent's violations of 40 P.S. § 3801.301 are punishable by the following, under 40 P.S. § 3801.313:
  - (i) Suspension or revocation of the license of the offending insurer or other person.
  - (ii) Refusal, for a period not to exceed one year, to issue a new license to the offending insurer or other person.
  - (iii) A fine of not more than \$5,000 for each violation of the chapter.
  - (iv) A fine of not more than \$10,000 for each willful violation of the chapter.
  
- (k) Respondent's violations of 40 P.S. § 756.2(f)(3) are punishable by the following, under 40 P.S. § 763:
  - (i) Upon conviction of a misdemeanor, a fine of not more than \$300 for each offense.
  - (ii) Revocation of the license of the company, corporation, association, or other insurer of another State or country, or of the agent thereof.
  - (iii) A penalty of not more than \$1,000 for each violation.

(n) Respondent's violations of 40 P.S. §§ 310.11(6), (7), (20) and 310.41a are punishable by the following, under 40 P.S. § 310.91:

- (i) suspension, revocation or refusal to issue the license;
- (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for every violation of the Act;
- (iii) an order to cease and desist; and
- (iv) any other conditions as the Commissioner deems appropriate.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) Respondent shall pay an administrative fine of fifty-five thousand dollars (\$55,000.00) to the Commonwealth of Pennsylvania and payment must be made electronically no later than fourteen (14) days from the date of final execution of this Consent Order. Specific payment instructions will be supplied by the Department to the Respondent with the final executed copy of this Consent Order.

- (c) Respondent's licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Order have not been complied with, or (ii) any confirmed complaint against Respondent is accurate and a statute or regulation has been violated. The Department's right to act under this section is limited to a period of five (5) years from the date of this Order.
  
- (d) Respondent specifically waives its right to prior notice of said suspension, but will be entitled to a hearing upon written request received by the Department no later than thirty (30) days after the date the Department mailed to Respondent by certified mail, return receipt requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondent's written request.
  
- (e) At the hearing referred to in paragraph 5(d) of this Order, Respondent shall have the burden of demonstrating that it is worthy of a license.
  
- (f) In the event Respondent's licenses are suspended pursuant to paragraph 5(c) above, and Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that it is worthy of a license, Respondent's suspended licenses shall be revoked.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provisions of law; or, if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.



11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or duly authorized delegee.

BY: ADROIT HEALTH GROUP LLC, Respondent

DocuSigned by:  
*R. Scott Holt*  
4D98986038AB480...  
President/ ~~Vice President~~

DocuSigned by:  
*Jeffrey Jeter*  
7DC6B8CE27D647E...  
Secretary/ ~~Treasurer~~

*David J. Buono Jr.*  
COMMONWEALTH OF PENNSYLVANIA  
By: DAVID J. BUONO JR.  
Deputy Insurance Commissioner

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:           The Act of April 9, 1929, P.L. 177, No. 175, known as The  
Administrative Code of 1929

AND NOW, this \_\_25th \_\_ day of \_\_April \_\_\_\_, 2024, David J. Buono, Jr.,  
Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly  
authorized representative for purposes of entering in and executing Consent Orders. This  
delegation of authority shall continue in effect until otherwise terminated by a later Order  
of the Insurance Commissioner.



Michael Humphreys  
Insurance Commissioner