



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

IN THE MATTER OF:)
)
THE ALIERA COMPANIES, Inc.)
)
and) Docket No. MC 19-109
)
TRINITY HEALTHSHARE, Inc.)
)
Respondents)

CEASE AND DESIST ORDER

The Insurance Commissioner of the State of Connecticut (hereinafter "the Commissioner") has cause to believe that the acts, practices, transactions, and course of business engaged in by The Alieria Companies, Inc. ("Alieria") and Trinity Healthshare, Inc. ("Healthshare") may be conducted in an illegal and improper way and that irreparable harm may be caused to the citizens of the State of Connecticut. As a result the issuance of the following Cease and Desist order appears warranted:

FINDINGS OF FACT

1.

The Alieria Companies, Inc. (hereinafter "Alieria") is a foreign entity organized under the laws of Delaware and acting as an insurer and as an insurance producer in the State of Connecticut with its principal place of business at 990 Hammond Drive, Suite 700, Atlanta, GA 30328. Trinity Healthshare, Inc. (hereinafter "Trinity") is a foreign corporation organized under the laws of

Delaware, first incorporated on or about June 27, 2018, which represent itself as a healthcare sharing ministry within the meaning of 26 USC §5000A. Alera and Trinity (“hereinafter collectively referred to as “Respondents”) are engaging in an insurance business and acting as insurers in the State of Connecticut by providing health insurance to Connecticut residents or persons authorized to conduct business in Connecticut.

2.

Neither Alera nor Trinity have been in operation and continuously sharing members’ health care costs since at least December 1, 1999, as required by 26 USC § 5000A(d)(2)(B).

3.

Since August 14, 2018 Alera has been licensed in Connecticut as a producer agency, license No. 2571864, with authority to sell Life, Accident & Health, Credit and Travel insurance products, but is not authorized to engage in any other insurance business or to place coverage as an insurer in the state of Connecticut. Trinity does not hold any insurance license and is not authorized to transact any insurance business in the state of Connecticut.

4.

Respondents are soliciting and/or entering into health insurance contracts with residents of Connecticut or persons authorized to do business in Connecticut whereby Respondents, upon payment of a fee, agree to provide coverage for costs the members incur when receiving medical, dental, optical, hearing, vision and chiropractic services. In addition, Respondents purport to provide coverage for

prescription drugs, Medicare, short term health insurance and insurance for small businesses.

5.

Aliera represents that the products marketed on behalf of Trinity are not insurance, that it administers a faith-based cost sharing program on behalf of Trinity and that it provides assistance to individuals with common religious and ethical beliefs, when in fact the Respondents do not limit the marketing of their products to individuals holding any particular religious beliefs, but enroll in their program all individuals irrespective of faith and, through their marketing representatives, simply require that members enrolling in their program agree to a series of general belief statements, such as “helping others and/or maintaining a healthy lifestyle and avoid foods, behavior, or habits that produce sickness or disease to ourselves or others”, or “believe that personal rights and liberties originate from God and are bestowed on us by God”, or “believe that every individual has a fundamental religious right to worship God in his or her own way.”

6.

Aliera’s marketing materials promote individual and family coverage that includes primary care physician visits, pharmaceuticals, basic eye and hearing exams, both in- and out-patient procedures, extended hospitalizations, urgent care needs, labs and diagnostic procedures. Plans offered by Aliera come in gold, silver and bronze, using the same metal designations as insurance plans offered under the Affordable Care Act in the Connecticut Insurance Exchange.

7.

Encouraging the public to apply for coverage offering “lower rates”, “great coverage” and “no penalty”, Alieria’s website states that Alieria operates “like health insurance” by pooling members’ contributions to pay the providers directly, just like a regular insurance company, albeit at a premium 50 percent lower.

8.

A guide provided by Alieria to its members represents that Alieria Healthcare, Inc., in conjunction with Trinity Healthshare, LLC, creates a full range of services and benefits, including preventive care, episodic primary care, chronic maintenance, labs & diagnostics, telemedicine, including “specialty care hospitalization, surgery and emergency room treatment”. The guide represents that “Alieria Healthcare, in alliance with Trinity HealthShare, makes quality healthcare choices affordable for individuals and families”. In addition, the guide includes information about the coverages available, exclusions and limitations of coverage, lifetime or per incident maximum limits and amounts of deductible for each type of service, claims adjudication process and information about the use of provider networks.

9.

The Respondents market their plans to Connecticut consumers through licensed insurance producers and collect fixed monthly payments from their members, calculated on the basis of the coverage chosen, which vary in accordance with the type of plan applied for, the level of coverage, the number of family members enrolled and the underwriting characteristics of each member.

10.

At the present time, the Respondents have not applied for or received an insurance license from the Commissioner authorizing the Respondents to make or propose to make, as insurers, insurance contracts or to conduct in Connecticut, as principals, any insurance business, as defined in General Statutes § 38a-271 .

11.

General Statutes § 38a-272 prohibits any person or insurer from doing, directly or indirectly, any of the acts of an insurance business, as defined in General Statutes § 38a-271, unless authorized under the general statutes. General Statutes § 38a-41 prohibits any insurer or health care center from doing any insurance business or health care business in this state, except if authorized by the Commissioner.

12.

General Statutes § 38a-8 authorizes the Commissioner to administer and enforce all provisions relating to the insurance laws of our State, including the provisions of the Unauthorized Insurers Act, General Statutes § 38a-271 *et seq.* The Commissioner can, therefore, assert jurisdiction over, issue orders and/or commence administrative proceedings against, any person that, in violation of Connecticut law, provides the types of insurance coverage offered in this state by the Respondents.

13.

General Statutes § 38a-17 authorizes the Commissioner to order any insurer to discontinue any illegal or improper method of doing business if, in the opinion of the Commissioner, such insurer is in fact doing business in an illegal or improper way.

14.

General Statutes §§ 38a-481 and 38a-513 provide that no individual health insurance policy or group health insurance policy, respectively, shall be delivered or issued for delivery in this state until a copy of the form thereof and of the classification of risks and the premium rates have been filed with, and approved by, the Commissioner.

15.

The Respondents have never filed copies of the forms relating to the health insurance plans they offer in Connecticut or the premium rates applicable to the risk classification of the contracts they offer to the public.

16.

General Statutes § 38a-1 defines the term “insurance” as “any agreement to pay a sum of money, provide services or any other thing of value on the happening of a particular event or contingency or to provide indemnity for loss in respect to a specified subject by specified perils in return for a consideration. In any contract of insurance, an insured shall have an interest which is subject to a risk of loss through destruction or impairment of that interest, which risk is assumed by the insurer and such assumption shall be part of a general scheme to distribute losses among a large

group of persons bearing similar risks in return for a ratable contribution or other consideration.”

17.

The products marketed by the Respondents include an agreement to pay a sum of money, provide services or any other thing of value on the happening of a particular event or contingency, i.e. sickness or injury, or to provide indemnity for loss in respect to a specified subject by specified perils - indemnify their members for costs incurred for medical expenses - in return for a consideration. As it relates to the contracts issued by the Respondents, members have an interest which is subject to a risk of loss through destruction or impairment of that interest, which risk is assumed by the Respondents as part of a general scheme to distribute losses among a large group of persons bearing similar risks in return for a ratable contribution or other consideration by each member.

CONCLUSIONS OF LAW

1.

The facts set forth in paragraphs 1 through 17 of the Findings of Fact herein show that the Respondents are subject to the jurisdiction of the Commissioner and are subject to all appropriate provisions of the Connecticut Insurance Code pursuant to General Statutes § 38a-271 *et seq.* Said facts further show that the Respondents have been acting, and are currently acting, as insurers and/or transacting the business of insurance in Connecticut without a subsisting certificate of authority in violation of General Statutes § 38a-272 and § 38a-41.

2.

The facts set forth in paragraphs 1 through 17 of the Findings of Fact herein show that the Respondents are acting as insurers in Connecticut by providing health insurance without first obtaining a certificate of authority from the Commissioner, in violation of General Statutes § 38a-41, and without having filed such health insurance products with the Commissioner and having obtained the Commissioner's approval prior to marketing such products, in violation of General Statutes §§ 38a-481 and 38a-513.

3.

The facts set forth in paragraphs 1 through 17 of the Findings of Fact herein constitute grounds for the Commissioner to issue an order directing the Respondents to immediately discontinue engaging in an insurance business in Connecticut whereby they provide Life, Accident & Health insurance or any other kind of insurance to Connecticut residents or persons authorized to do business in Connecticut.

4.

The facts set forth in paragraphs 1 through 17 of the Findings of Fact herein constitute grounds, pursuant to General Statutes § 38a-278, for the Commissioner to subject the Respondents to a monetary penalty of up to \$50,000.00 for each and every act of violation of the Connecticut Insurance Statutes or any pertinent Rules and Regulations of the Connecticut Insurance Department, which amount may be increased by \$2,500.00 for the first offense and by an additional \$2,500.00 for each month during which any violation continued.

5.

The facts set forth in paragraphs 1 through 17 of the Findings of Fact herein give the Commissioner reasonable cause to believe that the Respondents have violated, are violating, and will continue to violate the insurance laws of Connecticut. The aforesaid facts also show that the Respondents have not committed merely technical violations, but have violated a basic tenet of public policy by transacting insurance in this State without a subsisting certificate of authority in violation of General Statutes §§ 38a-41 and 38a-272.

6.

The facts set forth in paragraphs 1 through 17 of the Findings of Fact herein give the Commissioner reasonable cause to believe that the probability of such continued violations constitutes a situation of imminent peril to the public welfare, and that the situation therefore imperatively requires immediate action.

7.

The facts set forth in paragraphs 1 through 17 of the Findings of Fact herein give the Commissioner reasonable cause to believe that the Respondents have violated Sections 38a-481 and 38a-513 of the Connecticut General Statutes by failing to file the rates and forms for the health insurance policies marketed in Connecticut and by failing to obtain prior approval from the Commissioner prior to marketing their insurance contracts in this state.

Pursuant to General Statutes § 38a-17, IT IS THEREFORE ORDERED by the Insurance Commissioner:

That the Respondents IMMEDIATELY CEASE AND DESIST from acting as insurers with respect to subjects of insurance resident, located or to be performed in this state, transacting an insurance business in Connecticut, or otherwise violating in any way the insurance laws of the State of Connecticut, except for payment on existing contracts of insurance or other obligations for business placed in our state, which payments are to be made for each claim without regard to any condition, exclusion or limitation contained in the contracts sold or any other defense.

IT IS FURTHER ORDERED:

That any and all licensed producers and any other representatives of the Respondents IMMEDIATELY CEASE AND DESIST from representing insurers that are not authorized to transact insurance in this state or assisting any person in the transaction of an insurance business in Connecticut without a proper license, or otherwise violating in any way the insurance laws of Connecticut, except for facilitating the payment of claims on existing contracts or other obligations for business placed in our state.

SO ORDERED this 2nd day of December, 2019.



Andrew N. Mais
Insurance Commissioner