

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF

THE ALIERA COMPANIES, INC.,

SHELLEY STEELE,

JESSICA JOY BUDDINGTON,
NPN 17590664

ALIERA HEALTHCARE, INC.,
NPN 18501490

ENSURIAN AGENCY, LLC,
NPN 17850081,

USA BENEFITS & ADMINISTRATORS,
LLC,

ADVEVO, LLC,

TACTIC EDGE SOLUTIONS, LLC, and

TRINITY HEALTHSHARE, INC.,

Respondents.

Division Case No. 105205

STATEMENT OF CHARGES

COMES NOW the Iowa Insurance Division (“Division”) and pursuant to the provisions of Iowa Code chapter 507B—Insurance Trade Practices, Iowa Code chapter 522B—Licensing of Insurance Producers, and Iowa Administrative Code chapter 15—Unfair Trade Practices, states and alleges the following:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapter 507B—Insurance Trade Practices, Iowa Code chapter 522B—Licensing of Insurance Producers, and Iowa Administrative Code chapter 15—Unfair Trade Practices pursuant to Iowa Code § 505.8.

2. The Alera Companies, Inc. (hereinafter “Alera”) is a foreign corporation organized under the laws of Delaware. Alera has a last known address of 990 Hammond Drive, Suite 700, Atlanta, GA 30328.
3. Shelley Steele (hereinafter “Steele”) is the CEO of Alera.
4. Alera Healthcare, Inc. (hereinafter “Alera Healthcare”) was a business entity domiciled in Georgia with a last known address of 5901 Peachtree Dunwoody Road, Suite B-200, Atlanta, GA 30328. Alera Healthcare was restructured and renamed “The Alera Companies” in September 2019.
5. Alera Healthcare became a licensed business entity producer on August 16, 2017. Alera Healthcare’s Iowa license was terminated on March 19, 2020 for failing to renew their resident license in the state of Georgia. Alera Healthcare has not updated its licensing information or sought new licensure under its new name, “The Alera Companies.”
6. The designated responsible licensed producer for Alera Healthcare is Jessica Joy Buddington. The Division issued Jessica Joy Buddington a nonresident producer license on August 1, 2018. She is licensed under NPN 17590664.
7. Shelley Steele is also the CEO of Alera Healthcare. Alera Healthcare is licensed under NPN 18501490.
8. Ensurian Agency, LLC (hereinafter “Ensurian”) is a business entity domiciled in Delaware and is a corporate subsidiary of Alera with a last reported address of 913 N. Market Street, Suite 200, Wilmington, DE 19801. Recent documents received by the Division indicate an address of 990 Hammond Drive, Suite 700, Atlanta, GA 30328.
9. Ensurian previously applied for and was issued a business entity producer license in the state of Iowa on October 14, 2019. Ensurian’s Iowa nonresident producer license was terminated

on February 19, 2020 when the Division discovered that Ensurian did not have a resident insurance producer license. Ensurian was previously assigned NPN 17850081.

10. USA Benefits & Administrators, LLC (hereinafter “USA Benefits”) is a foreign corporation incorporated under the laws of New Mexico and is a corporate subsidiary of Alieria. USA Benefits has a last known address of 990 Hammond Drive, Building One, Suite 700, Atlanta, GA 30328.
11. Tactic Edge Solutions, LLC (hereinafter “Tactic Edge”) is a foreign corporation incorporated under the laws of Delaware and is a corporate subsidiary of Alieria. Tactic Edge has a last known address of 990 Hammond Drive, Suite 700, Atlanta, GA 30328.
12. Advevo, LLC (hereinafter “Advevo”) is a foreign corporation organized under the laws of Delaware and is a corporate subsidiary of Alieria with a last known address of 990 Hammond Drive, Suite 700, Atlanta, GA 30328.
13. Trinity Healthshare, Inc. (hereinafter “Trinity”) is a foreign corporation organized under the laws of Delaware. Trinity is not a licensed business entity insurance producer in the state of Iowa. Trinity was incorporated in Delaware on June 27, 2018. Trinity has a last known address of 5901 Peachtree Dunwoody Road, Suite C-160, Atlanta, GA 30328. Trinity is registered as a non-profit organization pursuant to 26 U.S.C. §501(c)(3) for the purported purpose of operating as a health care sharing ministry (“HCSM”).
14. Pursuant to Iowa Code § 505.28, Alieria, Alieria Healthcare, Ensurian, USA Benefits, Tactic Edge, and Trinity (collectively hereinafter “Respondents”) have consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by Iowa Code chapters 507A and 507B.

15. From on or about January 2018 to present, Respondents engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of their business entity producer licenses; cease and desist orders; restitution; and civil penalties or other relief under Iowa Code Chapters 505, 507A, 507B, and rules adopted pursuant to these chapters.

II. FACTUAL ALLEGATIONS

16. Alera Healthcare and Ensurian each applied for a business entity producer license with the Division by submitting a Uniform Application for Business Entity Producer License (“Uniform Application”) through the National Insurance Producer Registry. In submitting the Uniform Application, Respondents each designated the Commissioner as an agent for service of process.

17. The Division issued Alera Healthcare and Ensurian licenses as business entity producers. Alera Healthcare was issued license number 18501490. Ensurian was issued license number 17850081.

18. Alera, Steele, USA Benefits, Tactic Edge, and Trinity, do not have insurance producer licenses and are not otherwise registered as third party administrators or business entity producers.

CONTRACT BETWEEN ALIERA HEALTHCARE AND TRINITY

19. Alera is a “holding” company managing various subsidiaries that handle different aspects of health-insurance-like-products. Its subsidiaries include USA Benefits, Ensurian, and Tactic Edge.

20. Beginning August 13, 2018, Alera and Trinity were engaged in a contract to market and administer Trinity’s purported HCSM.

21. Alera offered a product called “AleraCare” that comes in “Bronze,” “Silver,” or “Gold” plans, the same color designations used by ACA-compliant federally facilitated marketplace plans.

The Alera products were marketed as Trinity HCSM plans. Each plan had a designated monthly rate dependent upon the age of the member, the number of people the plan was supposed to cover, and the level of desired coverage. There was no indication on the written materials that the rates were negotiable or voluntary.

22. Internal Alera training documents reveal that they distribute a “Glossary of Terms” to their salespeople in order to directly compare insurance terms such as “premium,” “coverage,” and “deductible” with HCSM language such as “recommended monthly contribution,” “eligible sharing,” and “member shared responsibility.”
23. Trinity uses insurance terms, such as “deductible,” “premium,” and “comprehensive coverage,” when describing its products to consumers. While Trinity’s written marketing materials state in the top left corner of each page that the product is not insurance, the sales materials contain brightly colored tables displaying all of the benefits that are covered under HCSM plans purchased.
24. Trinity asserts that as a legally operating HCSM, it is exempted from insurance regulation.
25. However, in practice, Trinity was not independently and actively operating as an HCSM. Under the original Alera and Trinity contract, Alera was listed as a program manager for the HCSM plans and Alera, not Trinity, was responsible for the development of the plan designs, pricing, and marketing materials, vendor management, and recruitment and maintenance of a national sales force to market the plans.
26. Alera had the exclusive rights to design, market, and sell the HCSM to its existing and prospective members.
27. At the time of the execution of the initial agreement with Alera, Trinity had no members.

28. Alera maintained ownership of the “Membership Roster” and was authorized to accept any enrollment from members in the plans “in its sole discretion.” Alera and Trinity intended for the members who enrolled in the HCSM plans to become “customers” of Alera, not of Trinity.
29. Alera also provided:
- Administrative services that include system administration for both membership processing systems and member ShareBox databases, enrollment processing, billing and collection of monthly share amounts from health care sharing members, maintenance of membership records, management of third party administrators responsible for the processing of medical claims forms and determining sharing eligibility, and issuance of payment to members and providers, as well as providing and maintaining an inbound call center for member services, website development and maintenance, and usual and customary management functions such as Finance, Compliance, Human Resources, Marketing, Privacy, Data Security, and Information Technology.
30. Trinity is responsible for providing and paying accounting staff to support the financial obligations of the HCSM. However, under the original contract Trinity delegated that responsibility to Alera, putting them in charge of providing accounting staff, financial operations support, monthly financial and membership reports, audit support, and Form 990 tax filings.
31. Under the original Alera and Trinity contract, Trinity retained no managerial or administrative power over its non-profit HCSM and Trinity existed solely to shelter Alera’s for-profit sales of HCSM products from state and federal insurance regulation.
32. 343 Iowans enrolled in the Alera/Trinity HCSM. 220 of the 343 Iowa consumers were enrolled in AleraCare.
33. Alera kept 65% of all of the fees paid for the AleraCare product. Additionally, Alera received reimbursement out of Trinity’s portion of collected fees. Only about 15% of the total fees collected for this product were deposited into the ShareBox used to pay member claims.

The SharedBox is an account that is meant to store the money to be used for the payment of members' medical needs.

34. 67 of the 343 Iowa consumers were enrolled in a product called CarePlus. CarePlus proceeds were kept by Trinity, but Trinity paid 60% of the proceeds to Alera for commissions, fees, and costs. Ultimately, only about 35% of the total fees collected for this product were deposited into the ShareBox for the members' benefit.
35. 49 of the 343 Iowa consumers were enrolled in a product called PrimaCare. PrimaCare proceeds were kept by Trinity, but Trinity paid Alera 90% in commissions, fees, and costs. Ultimately only about 8% of all fees collected for this product were deposited into the ShareBox for the members' benefit.
36. The remaining 7 Iowa consumers purchased vision plans wherein only 15% of their fees were deposited into the ShareBox for the coverage of member expenses.

SURVEY OF IOWA CONSUMERS

37. On or about December 3, 2019, the Division sent an online survey to 300 past and present Alera/Trinity members from Iowa. The Division received responses.
38. Roughly 40% of the survey responders believed they were joining a health insurance company when they purchased the Alera/Trinity products.
39. The survey responders did not share one particular religious denomination. Responders indicated that they were associated with denominations including Evangelical Free Church of America, Catholic, First Christian, Lutheran, Pentecostal, Baptist, and four individuals stated they were not affiliated with any religion.

40. Roughly 60% of the survey responders reported that Alera paid their medical providers directly and none of the survey responders reported their medical needs as being paid by other members.
41. All of the survey responders reported paying a fixed amount each month rather than a suggested contribution.
42. Approximately 70% of the survey responders did not understand that there was no promise to pay for their medical needs.
43. The Division further interviewed some of the survey responders by telephone. Many of them reported difficulty in receiving payment or coverage for items previously understood to be covered and large unexpected rate increases.
44. Consumer DB stated that the product was presented to him as “typical health insurance” and that he bought it from an insurance agent.
45. Consumer AL said that he believed he had health insurance that had a \$9,000.00 deductible and that it was a high tier “gold” plan. Consumer AL submitted a claim to Alera for a hospital visit which was denied, leaving the consumer owing \$23,000 out of pocket.
46. Consumer MG received an email from her insurance agent confirming her purchase of health insurance and assuring her that she does have health insurance.
47. Consumer AR believed the product was insurance until she received new cards in the mail stating “This is not insurance.”
48. Consumer MM understood that the Alera product was not insurance, however, she was subjected to a large unanticipated rate increase and when she asked if she could contribute less than her newly increased contribution amount, Alera customer service told her “no,” and that there was nothing she could do about the higher price.

49. Consumer DR was told that his coverage could be cancelled for failing to submit monthly payments and that all payments, claims, and cancellations are performed through member services and/or at the carrier/healthcare company level.

TRINITY CURRENT CONTRACTS EFFECTIVE JANUARY 1, 2020

50. On January 1, 2020, Trinity engaged in a series of new contracts with Alera subsidiaries, including Ensurian, Advevo, USA Benefits, and Tactic Edge. The new contracts terminated the previously existing contract between Trinity and Alera.

51. Trinity's contract with Ensurian is to sell Trinity HCSM products. Ensurian is paid commissions for enrolling members in the Trinity HCSM plans. The commissions vary greatly depending on the level and cost of the plan purchased, but can reach upwards of \$400.00 monthly.

52. Trinity's contract with Advevo is to market, brand, consult, and advertise the Trinity HCSM products. Advevo receives the greater of a monthly flat fee or a sum percentage of Trinity's gross revenue. Trinity's contract with Advevo is signed by Steele, acting as CEO of Advevo.

53. Trinity's contract with USA Benefits is for the administration of the HCSM. USA Benefits determines the amount available for sharing from members' contributions, determines eligible cost-sharing, funds the actual sharing of member medical expenses, and performs all related services. USA Benefits is the administrator of the HCSM's "ShareBox" where member contributions are stored to be shared and distributed.

54. USA Benefits is also responsible for receipt of member complaints, providing explanation of financial responsibility to members and to healthcare providers, creating sharing reports, retaining records, and other administrative duties associated with the administration of the HCSM. Trinity pays USA Benefits on a per member per month basis depending on the level

and cost of the plan serviced. These fees can reach upwards of \$300.00 per month per member plus additional reimbursements and expenses. The contract between USA Benefits and Trinity is signed by Steele, acting as CEO of USA Benefits.

55. Trinity has engaged in two separate contracts with Tactic Edge. One contract gives Trinity the right to access an IT platform or a software system for the management and distribution of the products. Trinity pays Tactic Edge \$4.50 per active member per month or a minimum fee of \$3,000.00 per month.
56. The other Tactic Edge contract provides Trinity “professional services in the field of customer service and retention, regulatory, compliance, government affairs, and training in the State of Georgia and elsewhere.” Trinity pays Tactic Edge \$6.50 per active member per month plus a fee pursuant to a pricing schedule. The pricing schedule contains some fees upwards of \$160.00 per month.
57. Tactic Edge, Advevo, USA Benefits, and Ensurian are the only subsidiaries held by Alera. Ensurian was incorporated in August or September 2019. Advevo was incorporated in May 2019. Tactic Edge was incorporated in May 2019. USA Benefits was incorporated in December 2019. All four of the subsidiaries were created for purpose of taking over the duties of Alera Healthcare upon the execution of the new contracts on January 1, 2020. Together, the four subsidiaries cover all of the duties and responsibilities previously reserved under the single contract Trinity had with Alera Healthcare.
58. Trinity has little responsibility over the management or administration of its nonprofit HCSM and only a minimal amount of the total collected member contributions is reserved for the actual payment of the HCSM members’ medical needs.

59. Additionally, the new contracts work to further obscure and complicate the corporate structure and management of both Alera and Trinity's businesses. The scheme of having four separate entities to do the work that was previously covered by one is complicated by design in order to evade regulation and responsibility.
60. The creation of the four subsidiaries was for the purpose of promoting the illegal sale of unauthorized health insurance and the four subsidiaries are mere sham corporations intended to shield the parent company, Alera, from liability and regulation, justifying the piercing of Alera's corporate veil.

TRINITY'S STATUS AS EXEMPTED RELIGIOUS ORGANIZATION

61. Religious healthcare sharing organizations are exempted from insurance regulation pursuant to Iowa Code § 505.22 if that organization meets certain statutory factors.
62. The religious publication must be a nonprofit charitable organization described in section 501(c)(3) of the Internal Revenue Code.
63. Trinity, by relinquishing all managerial and administrative duties to for-profit entities, is acting as a shell for the for-profit entities it contracts with, namely, Alera.
64. Participation in a legitimate HCSM must be limited to subscribers who are the members of the same denomination or religion.
65. The survey conducted of Iowa Alera/Trinity members indicates that multiple denominations and some non-religious individuals have been allowed to enroll in Trinity's HCSM.
66. Alera Healthcare's advertising materials offered "Alternative Healthcare Plans" and buried references to Trinity's "Statement of Beliefs" in the fine print legal notices.
67. Trinity's advertising materials reference "centuries-old Christian tradition of sharing and bearing one another's health care needs" and states that members "hold a common set of ethical

and religious beliefs” but also buries its Statement of Beliefs in the legal notices section of the brochure.

68. The Statement of Beliefs published in advertisements states, “We believe that our personal rights and liberties originate from God and are bestowed upon us by God” and that “every individual has a fundamental religious right to worship God in his or her own way.” This is in stark contrast to statements made in Trinity’s 501(c)(3) filings with the IRS which indicate that Trinity “coordinates contributions from within the Baptist community to help cover the health care needs of missionaries, volunteers, and employees of faith based nonprofit ministries.” The IRS filings also indicate that “Trinity Healthshare Inc. will seek contributions from *Baptist entities and individuals* to support the entity.” (Emphasis added).

69. Additionally, Trinity’s own by-laws state:

We believe the Bible alone is the inspired Word of God: therefore it is the final and only source of absolute spiritual authority.

We believe in the triune of God of the Bible. He is one God who is revealed in three distinct Persons – God, the Father; God, the Son; and God, the Holy Spirit.

We believe Jesus Christ was God in the flesh – fully God and fully man. He was born of a virgin, lived a sinless life, died on the cross to pay the penalty for our sins, was bodily resurrected on the third day, and now is seated in the heavens at the right hand of God, the Father.

We believe that all people are born with a sinful nature and can be saved from eternal death only by grace alone, through faith alone, trusting only Christ’s atoning death and resurrection to save us from our sins and give us eternal life.

We believe in the bodily resurrection of all who have put their faith in Jesus Christ.

All we believe and do is for the glory of God alone.

70. The religious organization must solicit funds for the payment of medical expenses through a publication that is registered with the United States postal service and that publication must act

as an organizational clearinghouse for information between subscribers who have financial, physical, or medical needs, and subscribers who choose to assist with those needs.

71. Trinity has not provided proof that they are properly registered with the United States postal service.
72. Trinity emails monthly publications to its members and posts the publications to its member website.
73. The monthly publications do not solicit funds for needs sharing but they do contain a link for the sharing of prayers. The publications contain advice about health and general wellness and sometimes contain monthly aggregate amounts spent on “sharing” but no individual needs are featured and no donations or contributions are solicited.
74. Trinity’s organization does not provide for the payment for medical needs through direct payment from one member to another. Instead, Trinity collects monthly “premiums” which are subjected to a number of fees, commissions, and other expenses before being deposited into the “ShareBox.” Then, it is Trinity’s contractors (not the members), who determine the payment of the members’ medical needs. Members are encouraged to attend “telemedicine” appointments first¹ before seeking in-person medical treatment. Then members must go only to “in-network” healthcare providers to be eligible for sharing. Members are instructed to present their membership ID cards to providers prior to services being rendered. Members are informed that there may be a “consultation fee” associated with their medical services that is due at the time the service is rendered. Trinity is less clear about how the remainder of the bill should be handled. A majority of the survey respondents believed that Trinity would pay their provider directly.

¹ Notably, the telemedicine services used and recommended by Trinity is an Alera Companies subsidiary.

75. Finally, in order to be a qualifying HCSM, the organization must suggest a voluntary contribution amount to the subscribers with no assumption of risk or promise to pay.
76. Trinity mandates a monthly cost for membership, which members understand is not optional if they want to continue to share their medical needs. The responders to the Iowa survey all believed that their participation in the Trinity program would cover their health care needs.
77. Trinity has allowed Alera and its subsidiaries to strip the members' contributions for profitable commissions and fees, leaving little left over for the member ShareBox and coverage of medical needs.
78. Trinity does not meet any of the criteria required by Iowa law to be exempted from insurance regulation.

OTHER STATE ACTIONS

79. On or about May 13, 2019, Washington issued a cease and desist order against Alera Healthcare. Washington found that Alera Healthcare failed to represent Trinity's actual statement of faith as defined by Trinity's own bylaws; provided misleading training to prospective agents about the nature of its HCSM products; provided misleading advertisements to the public and prospective HCSM customers about the nature of its HCSM products; held itself out as a health care service contractor without being registered; and was doing business as an unlicensed discount plan organization.
80. On or about May 13, 2019, Washington issued a cease and desist order against Trinity. Washington found that Trinity did not qualify as a health care sharing ministry under the IRS or under Washington state law because it has only been in existence since 2018 and did not stem from a predecessor organization in which Trinity's members were sharing medical costs. Additionally, Trinity's members were "customers" of Alera Healthcare. Washington also

found that Trinity's statement of faith was materially different than what Trinity has claimed to regulatory authorities.

81. On or about December, 20, 2019, Trinity and Alera Healthcare entered into consent orders in the state of Washington, agreed to cease and desist solicitation of Washington residents to enroll in the HCSM sharing programs and agreed to pay substantial fines.
82. On or about August 12, 2019, Colorado issued cease and desist orders against Alera Healthcare and Trinity. Colorado found that Alera and Trinity were insurance companies and that the HCSM products offered were insurance products. Colorado also found that Alera and Trinity were the subject of other investigations in other states, including Texas, Washington, and New Hampshire.
83. On or about July 12, 2019, a District Court in Texas entered a Temporary Restraining Order against Alera Healthcare prohibiting it from accepting any new customers in the state of Texas until the final resolution of the case that had been brought by the Texas Attorney General.

III. VIOLATIONS

COUNT ONE

Unauthorized Sale of Insurance Products

84. The Division re-alleges and incorporates by reference paragraphs 1-82 above as though fully set forth herein.
85. Under Iowa Code §507A.3 an "insurer" includes all "corporations, associations, partnerships, and individuals engaged in the business of insurance."
86. Under Iowa Code §507A.5 a person is prohibited from "directly or indirectly performing any of the acts of doing an insurance business" without authorization.
87. Under Iowa Code §507A.3 doing an insurance business is any of the following:
 - a. The making of or proposing to make, as an insurer, an insurance contract;

- b. The taking or receiving of any application for insurance;
- c. The receiving or collection of any premiums, membership fees, assessments, dues or other considerations for any insurance;
- d. The issuance or delivery of contracts of insurance to residents of this state or to corporations or persons authorized to do business in this state;
- e. The doing of any kind of insurance business specifically recognized as constituting the doing of an insurance business within the meaning of the statutes relating to insurance;
- f. The doing or proposing to do any insurance business in substance equivalent to any of the foregoing in a manner designed to evade the provisions of the insurance laws of this state; or
- g. Any other transactions of business relating directly to insurance in this state by an insurer.

88. Trinity, by and through its various contracts with Alera and by and through Alera's subsidiaries, has made, continues to make and proposes to make health insurance contracts, receives applications for health insurance, collects premiums or membership fees, and does insurance business in a manner designed to evade the provisions of the insurance laws of this state.

89. Respondents' acts and practices have been in violation of Iowa Code §507A.3 subjecting Respondents to the imposition of civil penalties up to \$50,000.00, an order requiring Respondents to cease and desist from engaging in such acts or practices, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §507A.10.

COUNT TWO
Premium Tax on Unauthorized Insurers

90. The Division re-alleges and incorporates by reference paragraphs 1-88 above as though fully set forth herein.
91. Iowa Code §507A.9 states that “For all premiums collected during the calendar year, except premiums on lawfully procured surplus lines insurance, every unauthorized insurer shall pay to the commissioner of insurance before March 1, next succeeding calendar year in which the insurance was so effectuated, continued, or renewed, a premium tax on gross premiums charged for such insurance on subjects resident, located, or to be performed in this state equal to the applicable percent, as provided in section 432.1.”
92. Furthermore, “If the tax prescribed by this section is not paid within the time stated, the tax shall be increased by a penalty of twenty-five percent and by the amount of an additional penalty computed at the rate of one percent per month or any part thereof from the date such payment was due to the date paid.” Iowa Code §507A.9.
93. Trinity, by and through its contracts with Alera, has collected \$961,198.63 in premiums from Iowa consumers through the end of calendar year 2019.
94. Neither Trinity, nor Alera, have paid the statutory premium tax to the insurance commissioner for any year X-2019.
95. Respondents’ acts and practices have been in violation of Iowa Code §507A.9 subjecting Respondents to the imposition of civil penalties, an order requiring Respondents to cease and desist from engaging in such acts or practices, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §507A.10.

COUNT THREE
Acting as an Unregistered Third-Party Administrator

96. The Division re-alleges and incorporates by reference paragraphs 1-94 above as though fully set forth herein.
97. Pursuant to Iowa Code §510.11(2), a third-party administrator is a person “who collects charges or premiums from or who adjusts or settles claims on, residents of this state in connection with life or health insurance coverage or annuities [...]”
98. Under Iowa Code §510.21, “A person shall not act as or represent oneself to be a third-party administrator in this state, other than an adjuster licensed in this state for the kinds of business for which the person is acting as a third-party administrator, unless the person holds a current certificate of registration as a third-party administrator issued by the commissioner of insurance.”
99. Failure to hold a certificate subjects the third-party administrator to the sanctions set out in section 507B.7.
100. Alera, Alera Healthcare, and USA Benefits have acted as third-party administrator for Trinity’s health insurance products.
101. Despite acting as such, Alera, Alera Healthcare, and USA Benefits are not registered third-party administrators in the state of Iowa.
102. Alera, Alera Healthcare, and USA Benefits’ acts and practices have been in violation of Iowa Code §510.21, subjecting Alera Healthcare to suspension or revocation of Alera Healthcare’s insurance producer license, to the imposition of a civil penalty, an order requiring Alera, Alera Healthcare, and USA Benefits to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any

other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8 and 507B.7.

COUNT FOUR
Unfair Methods of Competition and Unfair or Deceptive Acts or Practices

103. The Division re-alleges and incorporates by reference paragraphs 1-101 above as though fully set forth herein.
104. Under Iowa Code §507B.4(3)(b)(1), it is an unfair method of competition and unfair or deceptive act or practice in the business of insurance to publish an advertisement which is untrue, deceptive, or misleading.
105. Trinity, by and through its contracts with Alera and its subsidiaries, have advertised health insurance plans that mislead members into thinking that Trinity and/or Alera and its subsidiaries have assumed the risk of insurance. Members have been deceived into believing that their medical bills will be paid through Trinity and Alera's services.
106. Under Iowa Code §507B.4(3)(a)(5), it is an unfair method of competition and unfair or deceptive act or practice in the business of insurance to use any name or title of any insurance policy or class of insurance policies misrepresenting the true nature thereof.
107. Trinity, by and through its contracts with Alera and its subsidiaries, represents to consumers that it is a nonprofit HCSM. Trinity does not meet the statutory criteria of an HCSM that is exempted from insurance regulation.
108. Respondents' acts and practices have been in violation of Iowa Code §510.21, subjecting Respondents to suspension or revocation of Respondents' insurance producer license, to the imposition of a civil penalty, an order requiring Respondents to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the

matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8 and 507B.7.

IV. PRAYER

WHEREFORE the Iowa Insurance Division respectfully requests that the following relief be entered by order:

- A. Probation, suspension, or revocation of Respondents' Iowa nonresident insurance producer licenses pursuant to Iowa Code §§507B.7;
- B. Cease and desist order prohibiting Respondents from engaging in the acts or practices alleged herein pursuant to Iowa Code §§507A.10 and 507B.7;
- C. Requiring payment of a civil penalty to the state of Iowa in an amount authorized by law pursuant to Iowa Code §§505.8, 507A.10, and 507B.7;
- D. Requiring payment of premium taxes, including penalties pursuant to Iowa Code §507A.9;
- E. Requiring payment to the state of Iowa for costs of investigation and prosecution pursuant to Iowa Code §505.8; and
- F. Such other just and appropriate relief.

Respectfully submitted,

Andi K. Buffington-----

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Trinity Healthshare, Inc.
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Respondent

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on July 21, 2020.

By: () First Class Mail () Personal Service
(X) Restricted certified mail, return receipt () Email, by consent
() Certified mail, return receipt () _____

Signature: /s/ Hilary Foster
Hilary Foster