

**BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA**

**FILED**

MAY 11 2011

INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner, )  
)

Petitioner )  
)

v. )

Case No. 11-0131-DIS

RURAL HEALTH PLANS INITIATIVE, )  
a licensed nonresident producer firm and )  
GERALD R. RISING, JR., a licensed )  
nonresident producer, )  
)

Respondents. )  
)

**FINAL ADMINISTRATIVE ORDER**

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, by and through his attorney, Julie Meaders and alleges and states as follows:

**JURISDICTION AND AUTHORITY**

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. Respondent Rural Health Plans Initiative ("RHPI") is licensed by the State of Oklahoma as a nonresident insurance producer firm holding license number 10000472. Its address of record is 9000 E. Nichols Avenue, Suite 125, Centennial, Colorado 80112-3512.

3. Respondent Gerald R. Rising, Jr is licensed by the State of Oklahoma as a nonresident producer holding license number 40001710. His address of record is 7670 E. Phillips Circle, Englewood, Colorado 80112.

4. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Producer Licensing Act and/or may levy a civil penalty of \$100.00 to \$1,000.00 for each violation of the Producer Licensing Act. 36 O.S. § 1435.13(A).

5. If the Insurance Commissioner finds that the public health, safety or welfare imperatively requires emergency action, and incorporates a finding to the effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2), 314,1, OAC 365:1-7-9(a).

#### **FINDINGS OF FACT**

1. Kelly Detweiler, an employee of the Heart and Vascular Center in Lawton, Oklahoma, complained to the Consumer Assistance/Claims Division of the Oklahoma Insurance Department on November 8, 2010. Ms Detweiler stated that she contacted RHPI numerous times in 2009 and 2010 after RHPI failed to pay health insurance claims on three patients.

2. Martha Hall, a life & health analyst in the Consumer Assistance Division was assigned to Detweiler's complaint. Hall sent a letter of inquiry to RHPI on November 10, 2010. 36 O.S. § 1250.4(B) of the Oklahoma Insurance Code requires insurers, producers and third party administrators to provide an adequate explanation within thirty days of the date of the letter. No response was received.

3. Hall thereafter sent a second letter on December 10, 2010 notifying RHPI

that it was in violation of statute but allowing for a response before she forwarded the complaint to the Legal Department. No response was received.

4. Investigation into the matter revealed that the Colorado Division of Insurance issued a notice on November 19, 2010 after it received inquiries and complaints from businesses and individuals regarding RHPI. RHPI had notified the Colorado Department that it would not be paying pending unpaid claims, had closed its door and was filing for bankruptcy.

5. The Colorado notice stated that the health plan offered through RHPI was not insurance nor was it regulated by the State Division of Insurance. The health plan was an employer self-funded plan. RHPI sold its service as an administrator to manage employer self-funded plans that were exempt from state laws. The Division stated that RHPI was operating as a third party administrator for employer plans, or ERISA, governed under the jurisdiction of the U.S. Department of Labor.

6. However, investigation revealed that RHPI was licensed as a resident agency holding Colorado license 353736 effective through June 1, 2012. The Oklahoma Department of Insurance contacted the Colorado Division of Insurance to inquire as to why the State of Colorado had not taken action against the resident license. The only response received was that the Colorado Department did not have jurisdiction and that the U.S. Department of Labor was in charge of any disciplinary action.

7. Investigation further revealed that the U.S. Department of Labor was investigating the matter in February 2011. Private litigation had also been instituted against Rural Health Plans and its founder, Gerald Rising, alleging negligence and fraud. While RHPI may not be a “true insurance plan”, it is licensed as a nonresident agency in

Oklahoma. Further, its founder, Gerald R. Rising, Jr., is licensed as a nonresident insurance producer in Oklahoma.

**CONCLUSIONS OF LAW**

Respondents have violated 36 O.S. § 1435.13(A)(2) by violating Oklahoma insurance law 36 O.S. § 1250.4(B); Respondents have violated 36 O.S. § 1435.13(A)(8); by using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business.

**ORDER**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner that the **Administrative Order of Suspension Instanter** entered in this matter on April 1, 2011 is a **FINAL ADMINISTRATIVE ORDER**, that no hearing was requested and Respondents' licenses are hereby **REVOKED**.

**WITNESS** My Hand and Official Seal this 10<sup>th</sup> day of May, 2011.



PAUL WILKENING  
DEPUTY INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

**CERTIFICATE OF MAILING**

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by certified mail with postage prepaid and return receipt requested on this 17<sup>th</sup> day of May, 2011, to:

Rural Health Plans Initiative  
9000 E. Nichols Avenue, Suite 125  
Centennial, CO 80112-3512

**CERTIFIED MAIL NO: 7008 1830 0003 9411 7392**

Gerald R. Rising, Jr.  
7670 E. Phillips Circle  
Englewood, CO 80112

**CERTIFIED MAIL NO: 7008 1830 0003 9411 7408**

and that notification was sent to:

NAIC/RIRS

and that a copy was mailed to:

all Appointing Insurers

and that a copy was delivered to:

Leah Scoles  
Licensing Division

Lydia Shirley  
Consumer Assistance Division

  
\_\_\_\_\_  
Julie Meaders

7008 1830 0003 9411 7408

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Postage	\$		Postage Here
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Return Receipt Fee (Endorsement Required)			
Restricted Delivery Fee (Endorsement Required)			



Total Postage **Gerald R. Rising, Jr.**

Sent To **7670 E. Phillips Circle**  
**Englewood, CO 80112**  
 Street, Apt. No., or PO Box No. **11-0131-Dis (JRM) (M)**  
 City, State, ZIP+4 **Final Admin. Ord.**

7008 1830 0003 9411 7392

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Restricted Delivery Fee (Endorsement Required)			



Total Postage & **Rural Health Plans Initiative**

Sent To **9000 E. Nichols Ave. Suite 125**  
**Centennial, CO 80112-3512**  
 Street, Apt. No., or PO Box No. **11-0131-Dis (JRM) (M)**  
 City, State, ZIP+4 **Final Admin. Ord.**

PLACED STICKER AT TOP OF ENVELOPE TO THE RIGHT  
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE  
CERTIFIED MAIL

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Rural Health Plans Initiative  
9000 E. Nichols Ave. Suite 125  
Centennial, CO 80112-3512

11-0131-DIS / JPM ENTJ  
Final Admin. Dra.

2. Article Number

(Transfer from service label)

7008 1830 0003 9411 7392

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail  Express Mail

Registered  Return Receipt for Merchandise

Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

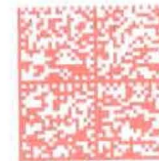


**John D. Doak**  
**Insurance Commissioner**  
 Oklahoma Insurance Department  
 5 Corporate Plaza  
 3625 N.W. 56th St., Ste. #100  
 Oklahoma City, OK 73112-4511

**CERTIFIED MAIL™**



7008 1830 0003 9411 7392



U.S. POSTAGE PITNEY BOWES  
 ZIP 73112 \$ 005.79<sup>0</sup>  
 02 1W  
 0001363374 MAY 11 2011

RECEIVED  
 OKLAHOMA INSURANCE DEPARTMENT  
**MAY 17 2011**  
 Legal Division

Rural Health Plans Initiative  
 9000 E. Nichols Ave. Suite 125  
 Oklahoma City, OK 73112-3512

\* 802 NSE 1 B10I 78 05/13/11  
 RETURN TO SENDER  
 :RURAL HEALTH PLAN INITIATIVE  
 MOVED LEFT NO ADDRESS  
 UNABLE TO FORWARD  
 RETURN TO SENDER  
 BC: 73112451125 \*1757-09220-11-38

80112+39321204511





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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:

Gerald R. Rising Jr.  
 7670 E. Phillips Circle  
 Englewood, CO 80112

*(10131-Dis/Document)  
 Final Admin. Order*

RECEIVED  
 OKLAHOMA DEPARTMENT OF  
 CORRECTIONS

MAY 19 2011  
 Legal Division

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *[Signature]*

- Agent  
 Addressee

B. Received by (*Printed Name*)

*Gerald R. Rising*

C. Date of Delivery

- D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (*Extra Fee*)

- Yes

2. Article Number

(*Transfer from service label*)

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