

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

FILED
MAY 09 2017
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN)
D. DOAK, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
SENIORSURE HEALTH PLANS, INC.)
A Captive Insurance Company,)
)
Respondent.)

Case No. 17-0149-DIS

FINAL ADMINISTRATIVE ORDER

This matter is a disciplinary proceeding under the Oklahoma Insurance Code *36 O.S. §§ 101 et seq.*, specifically the Oklahoma Captive Insurance Company Act *36 O.S. §§ 6470.1 et seq.*, and conducted pursuant to the Oklahoma Administrative Procedures Act, *75 O.S. §§301 et seq.*, whereby SeniorSure Health Plans, Inc. (“SeniorSure” or “Respondent”) is an a Special Purpose Captive Insurance Company holding an Oklahoma Certificate of Authority to transact business with license number 864542. On March 27, 2017, the Oklahoma Insurance Department (the “Department”) issued a Notice of Hearing and Order to Show Cause alleging violations of the Oklahoma Captive Insurance Company Act and setting this matter for hearing on April 27, 2017 at 9:30 a.m. at the office of the Oklahoma Insurance Department, 3625 N.W. 56th Street, Suite 100, Oklahoma City, Oklahoma. Legal service of summons was achieved by serving SeniorSure’s Registered Agent on March 30, 2017, by certified mail return receipt requested.

On April 27, 2017, the above captioned matter came on for hearing at the Department and testimony and evidence was received at that time. The Oklahoma Insurance Commissioner John D. Doak appointed the undersigned independent Hearing Examiner, John D. Miller, to preside at the hearing as a quasi-judicial officer pursuant to *36 O.S. §319*. The hearing was

recorded electronically by employees of the Department. Petitioner appeared by counsel Sara A. Worten. Respondent did not appear. Testimony and evidence was heard before the undersigned Hearing Examiner including the admission of exhibits into evidence. Therefore, after consideration of the testimony and evidence presented, this independent Hearing Examiner issues his order of findings and conclusions of law.

FINDINGS OF FACT

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code.

2. SeniorSure is a Special Purpose Captive Insurance Company holding an Oklahoma Certificate of Authority to transact business with license number 864542.

3. The Insurance Commissioner, pursuant to *36 O.S. § 319*, appointed John D. Miller to hear the case as the independent Hearing Examiner and that Hearing Examiner has the jurisdiction to determine if there is evidence to support a finding by clear and convincing that Respondent's actions as alleged in the Department's Notice of Hearing and Order to Show Cause issued on March 27, 2017, were established by the evidence and were in violation of the Oklahoma Insurance Code.

4. Lauren Bouse, Financial Analyst, was sworn and testified under oath.

5. The following exhibits were introduced and admitted:

- Petitioner's Exhibit 1: Oklahoma Captive Insurance Company Annual Report for the Period Ended December 31, 2015
- Petitioner's Exhibit 2: 2015 Audited Financial Statement
- Petitioner's Exhibit 3: Oklahoma Captive Insurance Company Annual Report for the Period Ended December 31, 2016
- Petitioner's Exhibit 4: Directive from Insurance Commissioner to SeniorSure

6. On April 1, 2016, the Department received Respondent's untimely 2015 annual financial report. The statement was verified by Mr. David Fleming, Chief Executive Officer, of SeniorSure. The Oklahoma Insurance Department (the "Department") never received the required second signature verifying the financial condition of SeniorSure for the 2015 year as required by *36 O.S. § 6470.11*.

7. On or about March 1, 2017, the Department received Respondent's 2016 annual statement. The annual statement was not signed and verified as required by *36 O.S. § 6470.11*.

8. Pursuant to *36 O.S. 6470.6*, a Special Purpose Captive Insurance Company must maintain an unimpaired aggregated paid-in capital and surplus of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00). As of December 31, 2015, SeniorSure's capital and surplus had dropped below the minimum statutory requirement. SeniorSure held a total of Five Hundred Twenty-one Thousand Seven Hundred Eight Dollars (\$521,708) in total assets and its total outstanding liabilities were One Million Nine Hundred Forty-six Thousand Eight Hundred Sixty-four Dollars (\$1,946,864).

9. In 2015, SeniorSure agreed to the following material indebtedness without providing prior notice to the Department and without receiving approval from the Insurance Commissioner in violation of *36 O.S. 6470.24.1*:

1. SeniorSure issued a note to a private investor, also an executive at PrimeSource, for One Hundred Thousand Five Hundred Dollars (\$100,500.00) with a ten percent (10%) interest rate;
2. SeniorSure issued a note to a private investor for One Hundred Thousand Dollars (\$100,000.00) with an interest rate of twenty percent (20%). This note originally

matured in March 2016 but was voided and replaced with a similar note maturing in November 2016.

10. A captive insurance company must submit reports or statements as required by lawful order of the Commissioner. *36 O.S. § 6470.14*. On September 15, 2016, the Department issued a directive to Jason Stutz, Secretary/Treasurer, of SeniorSure. The directive instructed SeniorSure to submit account reconciliations, bank statements, and financial statements on the 15th of each month beginning in October 2016. SeniorSure was in receipt of this directive and failed to comply with it on no less than five (5) occasions.

CONCLUSIONS VIOLATIONS OF LAW

11. Respondent violated the provisions of *36 O.S. § 6470.11 (B)* on two occasions by failing to file properly verified annual reports in 2016 and 2017.

12. Respondent violated the provisions of *36 O.S. § 6470.6(6)* by failing to maintain an aggregate paid-in capital and surplus of no less than Two Hundred Fifty Thousand Dollars (\$250,000.00) in 2015.

13. Respondent violated *36 O.S. § 6470.24.1(3)* on two occasions by incurring material indebtedness without providing proper notice to the Insurance Commissioner and without receiving approval from the Insurance Commissioner.

14. Respondent violated *36 O.S. § 6470.14(A)(3)* on five (5) occasions by failing to submit monthly financial reports to the Department beginning October 2016 as required by the Department.


ORDER

BASED UPON THE FOREGOING, IT IS HEREBY ORDERED THAT SENIORSURE HEALTHPLANS INC.'S LICENSE TO CONDUCT AN INSURANCE BUSINESS IN

OKLAHOMA IS SUSPENDED. IT IS FURTHER ORDERED that SeniorSure is fined Five Thousand Dollars (\$5,000.00) for violation of 36 O.S. § 6470.11 (B) on two occasions, fined Five Thousand Dollars (\$5,000.00) for violation of 36 O.S. § 6470.6(6), fined Five Thousand Dollars (\$5,000.00) for violation 36 § 6470.24.1(3) on two occasions, and fined Ten Thousand Dollars (\$10,000.00) for violation of 36 O.S. § 6470.14 (A)(3) on five (5) occasions for a **total fine of Twenty Five Thousand Dollars (\$25,000.00).**

Done this 5th day of May 2017.





JOHN D. MILLER
Independent Hearing Examiner
Oklahoma Insurance Department
3625 NW 56th Street, Suite 100
Oklahoma City, OK 73112

CERTIFICATE OF MAILING

I, Sara A. Worten, hereby certify that on 9th day of May, 2017, a copy of this Final Order was mailed to:

Corporation Service Company
Registered Agent for SeniorSure Health Plans, Inc.
10300 Greenbriar Place
Oklahoma City, OK 73159


CERTIFIED MAIL NO. 7016 2140 0000 3510 5764

SeniorSure Health Plans, Inc.
7633 E. 63rd Place
Suite 300
Tulsa, OK 74133

CERTIFIED MAIL NO. 7016 2140 0000 3510 5771

and a copy was delivered to:

Financial Division


Sara A. Worten
Assistant General Counsel

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE



Certified Mail Fee

\$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage

\$ _____

Total Postage and Fees

Corporation Service Company
Registered Agent for Senior Health Plan, Inc.
10300 Greenbriar Place
Oklahoma City, OK 73159
17-0149-DIS/SAW(mt)
Final.Adm.Ord. -(5-09-17)

Sent To

Street and Apt. No., or PO Box

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7016 2140 0000 3510 5764

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. 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. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p><i>X G. Parrish</i></p>
<p>1. Article Addressed to:</p> <p>Corporation Service Company Registered Agent for Senior Health Plan, Inc. 10300 Greenbriar Place Oklahoma City, OK 73159 17-0149-DIS/SAW(mt) Final.Adm.Ord. -(5-09-17)</p>	<p>B. Received by (Printed Name) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G. Parrish</p> <p>C. Date of Delivery MAY 10 2017</p>
<p>2. Article Number (Transfer from service label)</p> <p>7016 2140 0000 3510 5764</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>

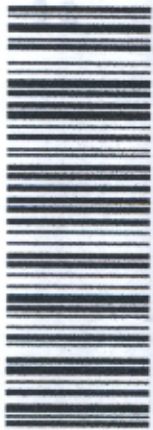
RECEIVED
OKLAHOMA INSURANCE DEPARTMENT
MAY 12 2017
Legal Division

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



JOHN D. DOAK
Insurance Comm
 Oklahoma Insurance C
 5 Corporate Plaza
 3625 N.W. 56th St., St
 Oklahoma City, OK 73



7016 2140 0000 3510 5771

NEOPOST
 05/09/2017
US POSTAGE \$007.29
 FIRST-CLASS MAIL
 ZIP 73112
 041M11276941

7016 2140 0000 3510 5771

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

City, State, ZIP+4[®]
 Street and Apt. No., or PO Box
 Sent To
 Total Postage and Fees

SeniorSure Health Plans, Inc.
 7633 E. 63RD Place, Suite 300
 Tulsa, OK 74133
 17-0149-DIS/SAW(mt)
 Final Adm. Ord. ~(5-09-17)

Postage
 Adult Signature Restricted Delivery \$
 Adult Signature Required \$
 Certified Mail Restricted Delivery \$
 Certified Mail (electronic) \$
 Return Receipt (electronic) \$
 Return Receipt (hardcopy) \$
 Extra Services & Fees (check box, add fee as appropriate)
 Certified Mail Fee \$

OFFICIAL USE
 For delivery information, visit our website at www.usps.com[®]

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
 Domestic Mail Only



RECEIVED
 OKLAHOMA INSURANCE DEPARTMENT
 MAY 16 2017
 Legal Division

SeniorSure Health Plans, Inc.
 7633 E. 63RD Place, Suite 300
 Tulsa, OK 74133

ANK
 73112>4519

NIXIE 731 FE 1 0005/14/17
 RETURN TO SENDER
 ATTEMPTED - NOT KNOWN
 UNABLE TO FORWARD
 BC: 73112451999 *2557-04521-14-21

CERTIFIED MAIL[®]
ENTER THE ZIP CODE AT TOP OF ENVELOPE TO GET TRACKING INFORMATION
OF THE RETURN ADDRESS. FOR FULL TRACKING INFORMATION, SEE THE TOP OF THE ENVELOPE.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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:

SeniorSure Health Plans, Inc. OKLAHOMA
7633 E. 63RD Place, Suite 300
Tulsa, OK 74133
17-0149-DIS/SAW(mt)
Final Adm. Ord. -(5-09-17)



9590 9402 2617 6336 1434 24

2. Article Number (Transfer from service label)

7016 2140 0000 3510 5771

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

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

MAY 16 2017
INSURANCE DEPARTMENT

Legal Division

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail[®]
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Insured Mail
 - Insured Mail Restricted Delivery (over \$500)
 - Priority Mail Express[®]
 - Registered Mail[™]
 - Registered Mail Restricted Delivery
 - Return Receipt for Merchandise
 - Signature Confirmation[™]
 - Signature Confirmation Restricted Delivery

Domestic Return Receipt