



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

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IN THE MATTER OF:

REAL BENEFITS ASSOCIATION

AMERICAN TRADE ASSOCIATION, INC

SERVE AMERICA/SERVE AMERICA ASSURANCE LTD

BEEMA INSURANCE GROUP

Docket No. CA-09-72

SMART DATA SOLUTIONS LLC

SPENCER & ASSOCIATES, LLC

RBA ADMINISTRATORS

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ORDER

WHEREAS, the undersigned issued a Cease and Desist Order in the above captioned matter on August 27, 2009;

WHEREAS, the Cease and Desist Order incorrectly identified HEALTHALLIES®, INC as operating in Connecticut without a license and in violation of Conn. Gen. Stat. §38a-479rr ;

WHEREAS, in fact, HEALTHALLIES®, INC is a Medical Discount Plan duly licensed in the State of Connecticut pursuant to Conn. Gen. Stat. §38a-479rr;

WHEREAS, documentation has been submitted to the Connecticut Insurance Department to identify that HEALTHALLIES®, INC. service agreement with Real Benefits Association which became effective on April 1, 2008 was terminated effective February 5, 2009;

NOW THEREFORE, it is therefore ordered:

That the August 27, 2009 Cease and Desist Order is hereby amended to remove any and all references to HEALTHALLIES ®, INC.

Dated at Hartford, Connecticut, this 23rd day of August, 2010



Thomas R. Sullivan
Commissioner



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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CEASE AND DESIST ORDER

Pursuant to the provisions of Connecticut General Statutes ("Conn. Gen. Stat.") §38a-8, the Insurance Commissioner of the State of Connecticut ("Commissioner") in investigation of the activities of REAL BENEFITS ASSOCIATION ("RBA"), AMERICAN TRADE ASSOCIATION, INC ("ATA"), SERVE AMERICA ASSURANCE LTD ("Serve America"), BEEMA INSURANCE GROUP ("Beema"), SMART DATA SOLUTIONS LLC ("Smart Data"), HEALTHALLIES ®, INC ("HealthAllies"), SPENCER & ASSOCIATES, LLC ("Spencer"), RBA ADMINISTRATORS ("RBAA" and collectively, "Respondents") believes there is sufficient cause upon which to issue a cease and desist order ("Order"). Accordingly, the Commissioner is authorized to issue such an Order to enforce compliance with the provisions of Connecticut law,

specifically Conn. Gen. Stat. §§38a-41, 38a-271 to 38a-276, inclusive, 38a-479qq and 38a-479rr, 38a-513, 38a-513d and 38a-702b.

This Order is based upon the following FINDINGS OF FACT:

1. Information and exhibits received in this office indicates that Real Benefits Association ("RBA"), with an address of Post Office Box 74, Basking Ridge, New Jersey 07920, solicited and/or sold limited health benefit plans to Connecticut residents in violation of Conn. Gen. Stat. §38a-41(a) which provides in relevant part "No insurance company or health care center shall do any insurance business or health care center business within this state until and except while it is permitted to do so under the terms of a license issued by the commissioner. " There is no record that RBA is licensed to do any insurance business in the State of Connecticut.
2. Information and exhibits received in this office indicates that RBA solicited and/or sold limited health benefit plans in violation of Conn. Gen. Stat. §38a-513, which provides "No group health insurance policy, as defined by the commissioner, or certificate shall be issued or delivered in this state unless a copy of the form for such policy or certificate has been submitted to and approved by the commissioner under the regulations adopted pursuant to this section." There is no record that RBA filed or received approval of any such form.
3. Information and exhibits received in this office indicates that RBA solicited and/or sold limited health benefit plans in violation of Conn. Gen. Stat. §38a-513d, which provides " (b) Each group health insurance policy, subscriber contract or certificate of coverage delivered or issued for delivery in this state on or after January 1, 2008, that provides limited coverage, and any marketing material, application for coverage and enrollment material relative to such policy, contract or certificate, shall include the following statement printed in capital letters in not less than twelve-point bold face type and located in a conspicuous manner on such document: "THIS LIMITED HEALTH

BENEFITS PLAN DOES NOT PROVIDE COMPREHENSIVE MEDICAL COVERAGE. IT IS A BASIC OR LIMITED BENEFITS POLICY AND IS NOT INTENDED TO COVER ALL MEDICAL EXPENSES. THIS PLAN IS NOT DESIGNED TO COVER THE COSTS OF SERIOUS OR CHRONIC ILLNESS. IT CONTAINS SPECIFIC DOLLAR LIMITS THAT WILL BE PAID FOR MEDICAL SERVICES WHICH MAY NOT BE EXCEEDED. IF THE COST OF SERVICES EXCEEDS THOSE LIMITS, THE BENEFICIARY AND NOT THE INSURER IS RESPONSIBLE FOR PAYMENT OF THE EXCESS AMOUNTS. THE SPECIFIC DOLLAR LIMITS ARE AS FOLLOWS: (INSURER TO SPECIFY SUCH AMOUNTS)." There is no record that RBA policies or certificates issued in Connecticut contain such requirements.

4. Information and exhibits received in this office indicates RBA solicited and/or sold and negotiated insurance in violation of Conn. Gen. Stat. §38a-702b which provides in relevant part "A person shall not sell, solicit or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority in accordance with sections 38a-702a to 38a-702r, inclusive." There is no record that RBA has been licensed to sell health insurance in the State of Connecticut.
5. Information and exhibits received in this office indicates that ATA, with an internet address of www.firstamericanhealthcare.com, solicited and/or sold limited health benefit plans to Connecticut residents in violation of Conn. Gen. Stat. §38a-41(a) which provides in relevant part "No insurance company or health care center shall do any insurance business or health care center business within this state until and except while it is permitted to do so under the terms of a license issued by the commissioner. " There is no record that ATA is licensed to do any insurance business in the State of Connecticut.
6. Information and exhibits received in this office indicates that ATA solicited and/or sold limited health benefit plans in violation of Conn. Gen. Stat. §38a-513, which provides "No

group health insurance policy, as defined by the commissioner, or certificate shall be issued or delivered in this state unless a copy of the form for such policy or certificate has been submitted to and approved by the commissioner under the regulations adopted pursuant to this section." There is no record that ATA filed or received approval of any such form.

7. Information and exhibits received in this office indicates that ATA solicited and/or sold limited health benefit plans in violation of Conn. Gen. Stat. §38a-513d, which provides " (b) Each group health insurance policy, subscriber contract or certificate of coverage delivered or issued for delivery in this state on or after January 1, 2008, that provides limited coverage, and any marketing material, application for coverage and enrollment material relative to such policy, contract or certificate, shall include the following statement printed in capital letters in not less than twelve-point bold face type and located in a conspicuous manner on such document: "THIS LIMITED HEALTH BENEFITS PLAN DOES NOT PROVIDE COMPREHENSIVE MEDICAL COVERAGE. IT IS A BASIC OR LIMITED BENEFITS POLICY AND IS NOT INTENDED TO COVER ALL MEDICAL EXPENSES. THIS PLAN IS NOT DESIGNED TO COVER THE COSTS OF SERIOUS OR CHRONIC ILLNESS. IT CONTAINS SPECIFIC DOLLAR LIMITS THAT WILL BE PAID FOR MEDICAL SERVICES WHICH MAY NOT BE EXCEEDED. IF THE COST OF SERVICES EXCEEDS THOSE LIMITS, THE BENEFICIARY AND NOT THE INSURER IS RESPONSIBLE FOR PAYMENT OF THE EXCESS AMOUNTS. THE SPECIFIC DOLLAR LIMITS ARE AS FOLLOWS: (INSURER TO SPECIFY SUCH AMOUNTS)." There is no record that ATA policies or certificates issued in Connecticut contain such requirements.
8. Information and exhibits received in this office indicates ATA solicited and/or sold and negotiated insurance in violation of Conn. Gen. Stat. §38a-702b which provides in relevant part "A person shall not sell, solicit or negotiate insurance in this state for any

class or classes of insurance unless the person is licensed for that line of authority in accordance with sections 38a-702a to 38a-702r, inclusive." There is no record that ATA has been licensed to sell health insurance in the State of Connecticut.

9. Information and exhibits received in this office indicates that Beema, through its subsidiary Serve America, address unknown, but which is incorporated in South Carolina and serviced through its registered agent Kathleen Cauthen, 117 Winding Oak Way, Blythewood, South Carolina, 29016, issued a limited health benefit plan to The Real Benefits Association Employer Welfare Plan Trust for certificates issued and delivered in Connecticut in violation of Conn. Gen. Stat. §38a-41(a) which provides in relevant part "No insurance company or health care center shall do any insurance business or health care center business within this state until and except while it is permitted to do so under the terms of a license issued by the commissioner. " There is no record that either Beema or Serve America is licensed to do any insurance business in the State of Connecticut.
10. Information and exhibits received in this office indicates that Beema, through its subsidiary Serve America, issued a limited health benefit plan to The Real Benefits Association Employer Welfare Plan Trust for certificates issued and delivered in Connecticut in violation of Conn. Gen. Stat. §38a-513, which provides "No group health insurance policy, as defined by the commissioner, or certificate shall be issued or delivered in this state unless a copy of the form for such policy or certificate has been submitted to and approved by the commissioner under the regulations adopted pursuant to this section." There is no record that either Beema or Serve America filed or received approval of any such form.
11. Information and exhibits received in this office indicates that Beema, through its subsidiary Serve America issued a limited health benefit plan to The Real Benefits Association Employer Welfare Plan Trust for certificates issued and delivered in

Connecticut in violation of Conn. Gen. Stat. §38a-513d, which provides " (b) Each group health insurance policy, subscriber contract or certificate of coverage delivered or issued for delivery in this state on or after January 1, 2008, that provides limited coverage, and any marketing material, application for coverage and enrollment material relative to such policy, contract or certificate, shall include the following statement printed in capital letters in not less than twelve-point bold face type and located in a conspicuous manner on such document: "THIS LIMITED HEALTH BENEFITS PLAN DOES NOT PROVIDE COMPREHENSIVE MEDICAL COVERAGE. IT IS A BASIC OR LIMITED BENEFITS POLICY AND IS NOT INTENDED TO COVER ALL MEDICAL EXPENSES. THIS PLAN IS NOT DESIGNED TO COVER THE COSTS OF SERIOUS OR CHRONIC ILLNESS. IT CONTAINS SPECIFIC DOLLAR LIMITS THAT WILL BE PAID FOR MEDICAL SERVICES WHICH MAY NOT BE EXCEEDED. IF THE COST OF SERVICES EXCEEDS THOSE LIMITS, THE BENEFICIARY AND NOT THE INSURER IS RESPONSIBLE FOR PAYMENT OF THE EXCESS AMOUNTS. THE SPECIFIC DOLLAR LIMITS ARE AS FOLLOWS: (INSURER TO SPECIFY SUCH AMOUNTS)."

There is no record that Beema policies or certificates issued through Serve America issued in Connecticut contain such requirements.

12. Information and exhibits received in this office indicates that HealthAllies, a discount medical plan located at 505 N. Brand Blvd, Suite 850, Glendale, CA 91203, solicited and/or sold medical discount plans to Connecticut residents in violation of Conn. Gen. Stat. §38a-479rr which provides in relevant part that "Before doing business in this state as a medical discount plan organization, an entity shall: (1) Be a corporation, limited liability company, limited liability partnership, or other legal entity organized under the laws of this state or, if a foreign corporation or other foreign entity, authorized to transact business in this state; and (2) Obtain a license as a medical discount plan organization from the Insurance Commissioner in accordance with this section. There is no record

that HealthAllies is organized under the laws of Connecticut or has obtained a license from the Insurance Commissioner to operate as a medical discount plan in the State of Connecticut.

13. Information and exhibits received in this office indicates that until June 1, 2009, Spencer, located at One S. Limestone Street, Suite 301, Springfield, Ohio, 45502 assisted or aided directly or indirectly prior to June 1, 2009 in the procurement or administration of such insurance contracts and certificates issued to Connecticut consumers.
14. Information and exhibits received in this office indicates that Smart Data, located at 4676 Hwy 41 North, Springfield, TN 37172 assisted or aided directly or indirectly in the procurement or administration of such insurance contracts and certificates issued to Connecticut consumers.
15. Information and exhibits received in this office indicates that RBAA, with a mailing address of P.O. Box 27, Cedarville, OH 45314, assisted or aided directly or indirectly in the procurement or administration of such insurance contracts and certificates issued to Connecticut consumers.

IT IS THEREFORE HEREBY ORDERED by the Commissioner that the Respondents shall IMMEDIATELY CEASE AND DESIST any and all solicitations, including internet solicitations, sales, or negotiations of health insurance or health discount programs in Connecticut and to Connecticut consumers.

IT IS FURTHER ORDERED by the Commissioner that:

- a. RBA and ATA shall provide to the Commissioner no later than 30 days from the date of this Order a complete listing of the names and addresses of all Connecticut consumers who have enrolled in any health insurance plans or discount plans offered to RBA or ATA members including but not limited to limited benefit plans, per occurrence plans,

accident plans, additional benefits plans, critical illness plans marketed as One Advantage Plan, Protection Plus Plan, Perfect Health, HealthAllies, Family Health Resource, or any other product name, trade or marketing name.

- b. Pursuant to Conn. Gen. Stat. §38a-275, any contract effective in this state and entered into by RBA and/or ATA in violation of sections 38a-271 to 38a-278, inclusive, shall be unenforceable by such unauthorized insurer. If any such unauthorized insurer fails to pay any claim or loss within the provisions of such insurance contract, any person who assisted or in any manner aided directly or indirectly in the procurement of such insurance contract shall be liable to the insured for the full amount of such claim or loss pursuant to the provisions of such insurance contract.
- c. RBA and ATA shall discharge any and all benefit obligations still outstanding for certificates to the policy issued to The Real Benefits Association Employer Welfare Plan Trust issued and delivered in Connecticut to Connecticut consumers.
- d. Pursuant to section 38a-275 of the Connecticut General Statutes, Smart Data, RBAA and Spencer shall be liable to Connecticut consumers for the full amount of such claims or losses for which reimbursement has not been provided by RBA or ATA pursuant to the provisions of such insurance contract.
- e. Respondents are hereby notified that the Commissioner reserves all rights to investigate the individual actions of principals, officers, and agents of Respondents and its related entities and seek any additional remedies available under the law.
- f. Respondents are hereby notified that the Commissioner may seek civil penalties on Respondents and related entities or individuals.
- g. Respondents are hereby notified that the Commissioner reserves all rights to further modify this order as circumstances and events warrant.
- h. Respondents may request a hearing before the Commissioner, conducted pursuant to Conn. Gen. Stat. §38a-19. The hearing request shall be filed with the Commissioner

within thirty (30) days after notice of this Cease and Desist Order by either delivering a written request for a hearing to the Commissioner or mailing such request to the Commissioner by certified mail, return receipt requested. If Respondents request a hearing, it is entitled to be represented by an attorney and to present evidence and argument on all issues.

- i. If no hearing is requested by Respondent, the findings of fact and conclusions of this Order shall be deemed final and conclusive with respect to all matters contained herein.

Dated at Hartford, Connecticut, this 27th day of August, 2009



Thomas R. Sullivan
Commissioner