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*By Admin Hearings, Ins Dept at 2:38 pm, Aug 24, 2022*

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
SALVASEN HEALTH ASSOCIATES, LLC	:	40 P.S. §§ 46, 310.3,
10713 W. Sam Houston N, Suite 100	:	and 1171.5(a)(1)(i)
Houston, TX 77064	:	
	:	
	:	
	:	
Respondent.	:	Docket No. CO22-06-023

CONSENT ORDER

AND NOW, this 24th day of August, 2022, this Order is hereby issued by the Insurance Department of Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that it has received proper notice of its rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. §§ 101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

### FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following Findings of Fact:

- (a) Respondent is Salvasen Health Associates, LLC and maintains an address of 10713 W. Sam Houston N, Suite 100, Houston, TX 77064.
- (b) Respondent does not hold a certificate of insurance to operate within the Commonwealth of Pennsylvania.
- (c) Respondent, between June 1, 2020, and June 1, 2021, issued 5,086 unapproved health insurance policies to Pennsylvania consumers which were misrepresented by independent selling agents as being ACA compliant.
- (d) Respondent on May 31, 2021 ceased accepting eligibility for new benefit plans.
- (e) Respondent denied insurance claims or failed to reimburse insureds to at least six (6) Pennsylvania consumers who filed complaints with the Department:
  - Insured A had claims in the amount of \$3,000.00;
  - Insured B had claims in the amount of \$2,832.00;
  - Insured C had claims in the amount of \$1,860.00;
  - Insured D had claims in the amount of \$400.00;

- Insured E had claims in the amount of \$400.00; and
  - Insured F had claims in the amount of \$309.00.
- (f) Respondent, on January 31, 2022, entered into a Consent Order with the Wisconsin Insurance Department, for a \$14,000.00 penalty and agreed to cease and desist from selling any additional health insurance policies to Wisconsin consumers.
- (g) Respondent, on March 29, 2022, entered into a Consent Order with the South Dakota Insurance Department agreeing to Cease and Desist due to unlicensed activity and selling unapproved insurance products to South Dakota consumers.
- (h) Respondent, on April 26, 2022, entered into a Consent Order with the Texas Insurance Department, agreeing to pay all insurance claims, and refund premiums paid by consumers if there were sufficient funds remaining after liquidation of all assets.
- (i) Respondent continues to pay claims as they arise and have extended processing intake for three additional months to handle the delayed claims.

#### CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 P.S. § 46 prohibits a company from conducting the business of Insurance in Pennsylvania without a certificate of authority.
- (c) Respondent's activities described in paragraphs 3(c) and 3(e) constitute acting as an insurance producer without a certificate of authority, in violation of 40 P.S. § 46.
- (d) 40 P.S. § 1171.5(a)(1)(i) prohibits persons from misrepresenting the benefits, advantages, conditions or terms of any insurance policy.
- (e) Respondent's activities described in paragraph 3(c) constitute misrepresenting the benefits, advantages, conditions or terms of any insurance policy and violate 40 P.S. § 1171.5(a)(1)(i).
- (f) Respondent's violations of 40 P.S. § 46 are punishable by the following, under 40 P.S. § 47.
  - (i) imposition of a civil penalty not to exceed five thousand dollars (\$10,000.00) for every violation of the Act
- (g) Respondent's violations of 40 P.S. §§ 46 and 1171.5(a)(1)(i) are punishable by the following, under 40 P.S. § 310.91:

- (i) suspension, revocation or refusal to issue the license;
- (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for every violation of the Act;
- (iii) an order to cease and desist; and
- (iv) any other conditions as the Commissioner deems appropriate.

#### ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) Respondent will provide a financial report on the first of each month which breaks down assets and liabilities, shows, cash flow, and describes activities on a line-item basis. This report will be sent to RA-IN-Enforce@PA.gov.
- (c) Respondent shall pay a civil penalty of twenty thousand dollars (\$20,000.00) to the Commonwealth of Pennsylvania. Payment of this penalty shall be made by certified check or money order, payable to the Commonwealth of Pennsylvania. Payment should be directed to the Pennsylvania Insurance Department, Bureau of Licensing and

Enforcement, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120.

Payment will be deferred until claims have been paid and appeals of those claims administered. At that point the above penalty will be due within thirty (30) days.

- (d) Respondent shall make restitutions to all persons listed in the above Findings of Fact. Proof of restitution payment shall be provided to the Insurance Department by Respondent.
- (e) Respondent shall pay claims as they become due and administer any appeals of those claims until it has met all of its obligations under its insurance products and healthcare-related policies and arrangements (collectively, plans).

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provisions of law; or, if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds there has been a breach of any of the provisions of this Order, the Department may declare this Order to

be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

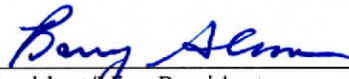
8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or duly authorized delegee.

BY: SALVASEN HEALTH, Respondent



\_\_\_\_\_  
President/Vice President

\_\_\_\_\_  
Secretary/Treasurer



\_\_\_\_\_  
COMMONWEALTH OF PENNSYLVANIA

By: DAVID J. BUONO JR.

Deputy Insurance Commissioner



BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:           The Act of April 9, 1929, P.L. 177, No. 175, known as The  
Administrative Code of 1929

AND NOW, this \_\_31<sup>st</sup>\_\_ day of \_\_March\_\_\_\_, 2022, David J. Buono, Jr.,  
Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly  
authorized representative for purposes of entering in and executing Consent Orders. This  
delegation of authority shall continue in effect until otherwise terminated by a later Order  
of the Insurance Commissioner.

  
\_\_\_\_\_  
Michael Humphreys  
Acting Insurance Commissioner

