

OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 106845-09

**BEEMA-PAKISTAN COMPANY, LTD.
SERVE AMERICA ASSURANCE, LTD.
WILLIAM WORTHY II
REAL BENEFITS ASSOCIATION
DAVID L. CLARK
AFFINITY GROUP BENEFITS ASSOCIATION, INC.
AMERICAN TRADE ASSOCIATION, INC.
SMART DATA SOLUTIONS, L.L.C.
SDS MANAGEMENT GROUP
BART POSEY
RICHARD H. BACHMAN
OBED KIRKPATRICK**

FINAL ORDER

TO:

BEEMA-PAKISTAN COMPANY, LTD.
Mirza Shahnawaz Agha, Chairman and
Chief Executive
Colin Jack Youell, Director
412-427, 4th Floor, Muhammadi House,
I. I. Chundrigar Road
Post Office Box 5626
Karachi-74000, Pakistan

WILLIAM WORTHY II
Post Office Box 611
Blythewood, South Carolina 29016
and
117 Winding Oak Way
Blythewood, South Carolina 29016

SERVE AMERICA ASSURANCE, LTD.
William Worthy II, President
Post Office Box 611
Blythewood, South Carolina 29016
and

DAVID L. CLARK
118 A Fulton Street, Post Office Box 138
New York, New York 10038

117 Winding Oak Way
Blythewood, South Carolina 29016

REAL BENEFITS ASSOCIATION
David L. Clark, Chairman and President
118 A Fulton Street, Post Office Box 138
New York, New York 10038

**AFFINITY GROUP BENEFITS
ASSOCIATION, INC.**
Ernest Beall, President
4676 Highway 41 North
Springfield, Tennessee 39172

**AMERICAN TRADE ASSOCIATION,
INC.**
Bart Posey
Richard H. Bachman
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

**SMART DATA SOLUTIONS, L.L.C.
SDS MANAGEMENT GROUP**
Bart Posey, President
Richard H. Bachman, Vice President
Obed Kirkpatrick
4676 Highway 41 North
Springfield, Tennessee 37172
and
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RICHARD H. BACHMAN
4676 Highway 41 North
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and
400 Memorial Boulevard
Springfield, Tennessee 37172

OBED KIRKPATRICK
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

THIS CAUSE came on for consideration and final agency action upon review by the Office of Insurance Regulation (hereinafter referred to as the "OFFICE") of the insurance-related activities of BEEMA-PAKISTAN COMPANY, LTD., SERVE AMERICA ASSURANCE, LTD., WILLIAM WORTHY II, REAL BENEFITS ASSOCIATION, DAVID L. CLARK,

AFFINITY GROUP BENEFITS ASSOCIATION, INC., AMERICAN TRADE ASSOCIATION, INC., SMART DATA SOLUTIONS, L.L.C., SDS MANAGEMENT GROUP, BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK (“Respondents”), following the issuance of an Order in this matter on February 19, 2010. Upon review and consideration of the entire record, and being otherwise fully advised in the premises, the OFFICE finds that:

1. The OFFICE issued an Order on February 19, 2010 (“Order”) to the Respondents, which alleged that the Respondents offered, sold, or provided health insurance benefits in the state of Florida without certificates of authority, in violation of Sections 626.401 and 626.901, Florida Statutes.

2. The Order further alleged that REAL BENEFITS ASSOCIATION, AMERICAN TRADE ASSOCIATION, INC., SMART DATA SOLUTIONS, L.L.C., and SDS MANAGEMENT GROUP acted as administrators without certificates of authority as required by Section 626.8805, Florida Statutes. A true and correct copy of the Order is attached hereto as “Exhibit A.”

3. The Order notified the Respondents of the right to request a proceeding to contest the Order, within twenty-one (21) days of receipt. The Order further notified the Respondents that failure to submit a request for a proceeding with the OFFICE within the twenty-one (21) days would result in the right to a proceeding deemed waived.

4. The Order was served on the Respondents in accordance with Sections 624.310(6), 626.906, 626.907, 626.909, and 626.9571(3), Florida Statutes.

5. BEEMA-PAKISTAN COMPANY, LTD., SERVE AMERICA ASSURANCE, LTD., WILLIAM WORTHY II, AFFINITY GROUP BENEFITS ASSOCIATION, INC., AMERICAN TRADE ASSOCIATION, INC., SMART DATA SOLUTIONS, L.L.C., SDS MANAGEMENT GROUP, BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK did not respond within twenty-one (21) days of receipt of the Order, therefore waiving the right to request a proceeding in this matter.

6. REAL BENEFITS ASSOCIATION and DAVID L. CLARK responded to the Order in a letter dated March 2, 2010, but did not dispute the allegations of the Order or object to the issuance of a Final Order requiring them to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida.

FINDINGS OF FACT

7. The factual allegations contained in the Order are hereby incorporated by this reference and adopted as the OFFICE's Findings of Fact in this matter.

CONCLUSIONS OF LAW

8. Based on the Findings of Fact adopted herein, the OFFICE concludes that the Respondents violated the specific statutes enumerated in the Order and hereby adopts the violations charged in the Order as the Conclusions of Law in this matter.

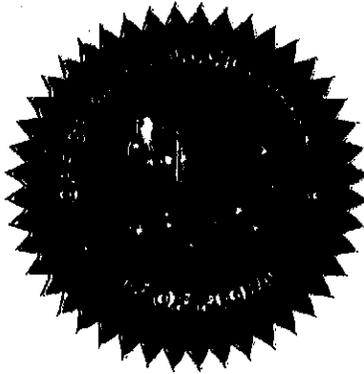
Accordingly, IT IS HEREBY ORDERED:

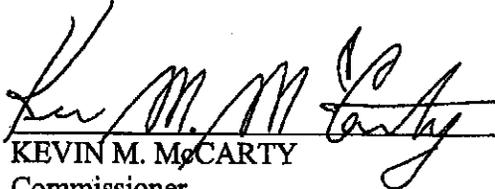
A. BEEMA-PAKISTAN COMPANY, LTD., SERVE AMERICA ASSURANCE, LTD., WILLIAM WORTHY II, REAL BENEFITS ASSOCIATION, DAVID L. CLARK, AFFINITY GROUP BENEFITS ASSOCIATION, INC., AMERICAN TRADE ASSOCIATION, INC., SMART DATA SOLUTIONS, L.L.C., SDS MANAGEMENT GROUP, BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK, acting either directly

or indirectly, by or through named or unnamed persons, entities, agents, or otherwise, shall immediately **CEASE AND DESIST** and no longer administer, market, solicit, negotiate, offer, provide, or effectuate contracts for any type of insurance, including but not limited to health insurance business, until properly authorized by the OFFICE.

B. Failure to comply with this Final Order shall subject the Respondents to the penalties including those contained in Sections 624.310(5), 626.910, and 626.9601, Florida Statutes.

DONE and ORDERED this 24TH day of JUNE 2010.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Any party to these proceedings adversely affected by this FINAL ORDER is entitled to seek review of this FINAL ORDER pursuant to Section 120.68, Florida Statutes, and Rule 9.110, Fla. R. App. P. Review proceedings must be instituted by filing a petition or notice of appeal with the General Counsel of the Office of Insurance Regulation, acting as the Agency Clerk, at 612 Larson Building, Tallahassee, Florida 32399-4206, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of rendition of this FINAL ORDER.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing FINAL ORDER has been furnished by U.S. Certified Mail this 24TH day of JUNE 2010 to:

BEEMA-PAKISTAN COMPANY, LTD.
Mirza Shahnawaz Agha, Chairman and
Chief Executive
Colin Jack Youell, Director
412-427, 4th Floor, Muhammadi House,
I. I. Chundrigar Road
Post Office Box 5626
Karachi-74000, Pakistan

WILLIAM WORTHY II
Post Office Box 611
Blythewood, South Carolina 29016
and
117 Winding Oak Way
Blythewood, South Carolina 29016

SERVE AMERICA ASSURANCE, LTD.
William Worthy II, President
Post Office Box 611
Blythewood, South Carolina 29016
and
117 Winding Oak Way
Blythewood, South Carolina 29016

DAVID L. CLARK
118 A Fulton Street, Post Office Box 138
New York, New York 10038

REAL BENEFITS ASSOCIATION
David L. Clark, Chairman and President
118 A Fulton Street, Post Office Box 138
New York, New York 10038

BART POSEY
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

**AFFINITY GROUP BENEFITS
ASSOCIATION, INC.**

Ernest Beall, President
4676 Highway 41 North
Springfield, Tennessee 39172

RICHARD H. BACHMAN
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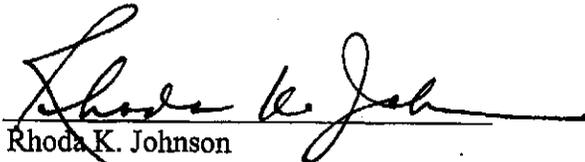
**AMERICAN TRADE ASSOCIATION,
INC.**

Bart Posey
Richard H. Bachman
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

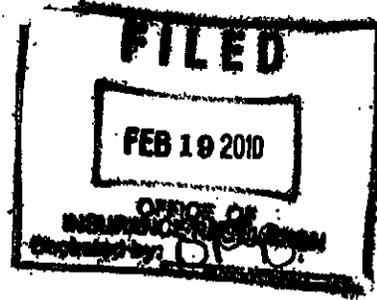
OBED KIRKPATRICK
4676 Highway 41 North
Springfield, Tennessee 37172
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**SMART DATA SOLUTIONS, L.L.C.
SDS MANAGEMENT GROUP**

Bart Posey, President
Richard H. Bachman, Vice President
Obed Kirkpatrick
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172



Rhoda K. Johnson
Assistant General Counsel
Office of Insurance Regulation
612 Larson Building
200 East Gaines Street
Tallahassee, Florida 32399-4206
(850) 413-4252



OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 106845-09

**BEEMA-PAKISTAN COMPANY, LTD.
SERVE AMERICA ASSURANCE, LTD.
WILLIAM WORTHY II
REAL BENEFITS ASSOCIATION
DAVID L. CLARK
AFFINITY GROUP BENEFITS ASSOCIATION, INC.
AMERICAN TRADE ASSOCIATION, INC.
SMART DATA SOLUTIONS, L.L.C.
SDS MANAGEMENT GROUP
BART POSEY
RICHARD H. BACHMAN
OBED KIRKPATRICK**

ORDER

TO:

BEEMA-PAKISTAN COMPANY, LTD.
Mirza Shahnawaz Agha, Chairman and
Chief Executive
Colin Jack Youell, Director
412-427, 4th Floor, Muhammadi House,
I. I. Chundrigar Road
Post Office Box 5626
Karachi-74000, Pakistan

WILLIAM WORTHY II
Post Office Box 611
Blythewood, South Carolina 29016
and
117 Winding Oak Way
Blythewood, South Carolina 29016

SERVE AMERICA ASSURANCE, LTD.
William Worthy II, President
Post Office Box 611
Blythewood, South Carolina 29016
and

DAVID L. CLARK
118 A Fulton Street, Post Office Box 138
New York, New York 10038

**Exhibit
A**

117 Winding Oak Way
Blythewood, South Carolina 29016

REAL BENEFITS ASSOCIATION
David L. Clark, Chairman and President
118 A Fulton Street, Post Office Box 138
New York, New York 10038

**AFFINITY GROUP BENEFITS
ASSOCIATION, INC.**
Ernest Beall, President
4676 Highway 41 North
Springfield, Tennessee 37172

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OBED KIRKPATRICK
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400 Memorial Boulevard
Springfield, Tennessee 37172

YOU ARE HEREBY NOTIFIED that pursuant to the provisions of the Florida Insurance Code, the State of Florida Office of Insurance Regulation (the "OFFICE") has caused an investigation to be made of the insurance-related activities of BEEMA-PAKISTAN COMPANY, LTD., SERVE AMERICA ASSURANCE, LTD., WILLIAM WORTHY II, REAL BENEFITS ASSOCIATION, DAVID L. CLARK, AFFINITY GROUP BENEFITS ASSOCIATION, INC., AMERICAN TRADE ASSOCIATION, INC., SMART DATA SOLUTIONS, L.L.C., SDS MANAGEMENT GROUP, BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK and that the OFFICE intends to issue a Final Order pursuant to Sections 626.909, 626.910, and 626.9581, Florida Statutes, requiring the aforementioned companies to cease and desist from engaging in the transaction of insurance in the state of Florida and pay fines, as set forth in Sections 624.4211, 624.437, 626.8805, and 626.910, Florida Statutes (2009). As grounds therefor, the OFFICE alleges the following:

GENERAL ALLEGATIONS

1. The Office has jurisdiction over the parties and subject matter pursuant to Sections 624.307, 624.310, 624.317, 624.318, 624.437, 626.909, and 626.9561, Florida Statutes.
2. BEEMA-PAKISTAN COMPANY LIMITED, LTD. ("BEEMA") is a foreign corporation with a principal place of business at 412-427, 4th Floor, Muhammadi House, I. I. Chundrigar Road, Post Office Box 5626, Karachi-74000, Pakistan.
3. BEEMA is a foreign corporation that offers and provides insurance products.
4. BEEMA is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.
5. BEEMA is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

6. BEEMA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

7. SERVE AMERICA ASSURANCE, LTD. ("SERVE AMERICA") is a foreign corporation with a principal place of business at 117 Winding Oak Way, Blythewood, South Carolina 29016.

8. SERVE AMERICA is a wholly owned, offshore, captive insurance company of BEEMA.

9. SERVE AMERICA is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

10. SERVE AMERICA is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

11. SERVE AMERICA issued health insurance policies in the state of Florida that were written by BEEMA.

12. SERVE AMERICA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

13. WILLIAM WORTHY II is the President of SERVE AMERICA.

14. WILLIAM WORTHY II is not licensed as an insurance representative of any type in the state of Florida.

15. WILLIAM WORTHY II offered or sold health insurance benefits to residents of the state of Florida on behalf of SERVE AMERICA.

16. REAL BENEFITS ASSOCIATION ("REAL BENEFITS") is a foreign corporation with a principal place of business at 118 A Fulton Street, Post Office Box 138, New York, New York 10038.

17. REAL BENEFITS is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

18. REAL BENEFITS is not, and has never been, authorized to operate, maintain, or establish a multiple-employer welfare arrangement in the state of Florida.

19. REAL BENEFITS is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

20. REAL BENEFITS offered or provided in the state of Florida health insurance policies that were issued by SERVE AMERICA and written by BEEMA.

21. REAL BENEFITS offered or provided health insurance benefits to at least 228 residents of the state of Florida.

22. REAL BENEFITS entered into an Association Affiliation Agreement with AFFINITY GROUP and AMERICAN TRADE to offer or provide health insurance benefits to REAL BENEFITS members.

23. REAL BENEFITS operated, maintained, or established a multiple-employer welfare arrangement in the state of Florida.

24. REAL BENEFITS acted as an administrator and marketer for BEEMA and SERVE AMERICA in the state of Florida.

25. DAVID L. CLARK is the Chairman and President of REAL BENEFITS.

26. DAVID L. CLARK is not licensed as an insurance representative of any type in the state of Florida.

27. DAVID L. CLARK offered or sold health insurance benefits to residents of the state of Florida on behalf of REAL BENEFITS.

28. AFFINITY GROUP BENEFITS ASSOCIATION, INC. ("AFFINITY GROUP") is a foreign corporation with a principle place of business at 4676 Highway 41 North, Springfield, Tennessee 39172.

29. AFFINITY GROUP is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

30. AFFINITY GROUP is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

31. AFFINITY GROUP issued health insurance policies in the state of Florida that were written by BEEMA.

32. AFFINITY GROUP offered or provided health insurance benefits to at least 228 residents of the state of Florida.

33. AFFINITY GROUP entered into an Association Affiliation Agreement with REAL BENEFITS to offer or provide health insurance benefits to REAL BENEFITS members.

34. AMERICAN TRADE ASSOCIATION, INC. ("AMERICAN TRADE") is a foreign corporation with a principal place of business at 4676 Highway 41 North, Springfield, Tennessee 37172.

35. AMERICAN TRADE is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

36. AMERICAN TRADE is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

37. AMERICAN TRADE offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

38. AMERICAN TRADE entered into an Association Affiliation Agreement with REAL BENEFITS to offer or provide health insurance benefits to REAL BENEFITS members.

39. SMART DATA SOLUTIONS, L.L.C. ("SMART DATA") is a foreign corporation with a principal place of business at 4676 Highway 41 North, Springfield, Tennessee 37172.

40. SMART DATA is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

41. SMART DATA is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

42. SMART DATA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

43. SMART DATA acted as an administrator and marketer on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, and/or AMERICAN TRADE for health insurance policies offered or sold in the state of Florida.

44. SDS MANAGEMENT GROUP ("SDS MANAGEMENT") is a foreign corporation with a principal place of business at 4676 Highway 41 North, Springfield, Tennessee 37172.

45. SDS MANAGEMENT is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

46. SDS MANAGEMENT is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

47. SDS MANAGEMENT offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

48. SDS MANAGEMENT acted as an administrator and marketer on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, and/or AMERICAN TRADE for health insurance policies offered or sold in the state of Florida.

49. BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK are principal officers of AMERICAN TRADE, SMART DATA, and SDS MANAGEMENT.

50. BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK are not licensed as insurance representatives of any type in the state of Florida.

51. BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK offered or sold health insurance benefits to residents of the state of Florida on behalf of AMERICAN TRADE, SMART DATA, and SDS MANAGEMENT.

52. The purpose of Florida's Unauthorized Insurers Process Law is to subject certain insurers and persons representing or aiding such insurers to the jurisdiction of courts of this state in suits by or on behalf of insureds or beneficiaries under insurance contracts. The Florida Legislature declares that it is a subject of concern that many residents of this state hold policies of insurance issued or delivered in the state by insurers while not authorized to do business in this state, thus presenting to such residents the often insuperable obstacle of resorting to distant forums for the purpose of asserting legal rights under such policies. § 626.905, Fla. Stat. (2009).

53. It is the obligation and duty of the state of Florida to protect its residents and also proceed under the Unauthorized Insurers Process Law through the Office or Department in the courts of this state. § 626.909(1), Fla. Stat.

COUNT I: BEEMA ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

54. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

55. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

56. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

57. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

58. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

59. BEEMA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because BEEMA violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring BEEMA to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT II: SERVE AMERICA ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

60. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

61. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

62. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;

- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

63. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

64. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

65. SERVE AMERICA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through BEEMA, REAL BENEFITS, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because SERVE AMERICA violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring SERVE AMERICA to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT III: WILLIAM WORTHY II ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

66. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

67. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

68. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

69. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

70. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

71. WILLIAM WORTHY II offered or provided health insurance benefits to residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because WILLIAM WORTHY II violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring WILLIAM WORTHY II to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT IV: REAL BENEFITS ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

72. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

73. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

74. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

75. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

76. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

77. REAL BENEFITS offered or provided health insurance benefits to at least 228 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVÉ AMERICA, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because REAL BENEFITS violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring REAL BENEFITS to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT V: REAL BENEFITS OPERATED, MAINTAINED, OR ESTABLISHED
AN UNAUTHORIZED MULTIPLE-EMPLOYER WELFARE
ARRANGEMENT IN FLORIDA, § 624.437, FLA. STAT.

78. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

79. Section 624.437(1), Florida Statutes, defines a "Multiple-employer Welfare Arrangement" as "an employee welfare benefit plan or any other arrangement which is established or maintained for the purpose of offering or providing health insurance benefits or any other benefits described in s. 624.33, other than life insurance benefits, to the employees of two or more employers, or to their beneficiaries."

80. Section 624.437(2), Florida Statutes, provides:

No person shall operate, maintain, or, after October 1, 1983, establish a multiple-employer welfare arrangement unless such arrangement has a valid certificate of authority issued by the office.

81. 624.437(4)(a), Florida Statutes, provides:

Any person failing to hold a subsisting certificate of authority from the office while operating or maintaining a multiple-employer welfare arrangement shall be subject to a fine of not less than \$5,000 or more than \$100,000 for each violation.

82. Section 624.437(4)(b), Florida Statutes, provides:

Any person who operates or maintains a multiple-employer welfare arrangement without a subsisting certificate of authority from the office shall be subject to the cease and desist penalty powers of the office as set forth in ss. 626.9571, 626.9581, 626.9591, and 626.9601.

83. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

84. REAL BENEFITS operated, maintained, or established an unauthorized multiple-employer welfare arrangement in the state of Florida.

85. REAL BENEFITS offered or provided health insurance benefits in the state of Florida to at least 228 members of its association.

WHEREFORE, because REAL BENEFITS violated Section 624.437, Florida Statutes, the OFFICE intends to issue an Order requiring REAL BENEFITS to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$100,000 for each violation.

COUNT VI: REAL BENEFITS ACTED AS AN ADMINISTRATOR OR HELD ITSELF OUT AS AN ADMINISTRATOR IN FLORIDA WITHOUT A VALID CERTIFICATE OF AUTHORITY, § 626.8805, FLA. STAT.

86. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

87. Section 626.88(1), Florida Statutes, defines an "Administrator" as "any person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with authorized commercial self-insurance funds or with insured or self-insured programs which provide life or health insurance coverage or coverage of any other expenses described in s. 624.33(1)."

88. Section 626.8805(1), Florida Statutes, provides:

It is unlawful for any person to act as or hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the office pursuant to ss. 626.88-626.894. To qualify for and hold authority to act as an administrator in this state, an administrator must otherwise be in compliance with this code and with its organizational agreement. The failure of any person to hold such a certificate while acting as an administrator shall subject such person to a fine of not less than \$5,000 or more than \$10,000 for each violation.

89. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

90. REAL BENEFITS acted as an administrator and marketer in the state of Florida on behalf of BEEMA and SERVE AMERICA.

91. REAL BENEFITS acted as an administrator and marketer for at least 228 health insurance policies offered or sold in the state of Florida.

WHEREFORE, because REAL BENEFITS violated Section 626.8805, Florida Statutes, the OFFICE intends to issue an Order requiring REAL BENEFITS to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$10,000 for each violation.

COUNT VII: DAVID L. CLARK ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

92. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

93. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

94. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

95. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

96. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

97. DAVID L. CLARK offered or provided health insurance benefits to residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because DAVID L. CLARK violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring DAVID L. CLARK to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT VIII: AFFINITY GROUP ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, FLA. STAT. § 626.901.

98. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

99. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

100. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

101. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

102. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

103. AFFINITY GROUP offered or provided health insurance benefits to at least 228 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because AFFINITY GROUP violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring AFFINITY GROUP to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT IX: AMERICAN TRADE ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

104. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

105. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

106. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;

- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

107. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

108. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

109. AMERICAN TRADE offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because AMERICAN TRADE violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring AMERICAN TRADE to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT X: AMERICAN TRADE ACTED AS AN ADMINISTRATOR OR HELD ITSELF OUT AS AN ADMINISTRATOR IN FLORIDA WITHOUT A VALID CERTIFICATE OF AUTHORITY, § 626.8805, FLA. STAT.

110. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

111. Section 626.88(1), Florida Statutes, defines an "Administrator" as "any person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with authorized commercial self-insurance funds or with insured or self-insured programs which provide life or health insurance coverage or coverage of any other expenses described in s. 624.33(1)."

112. Section 626.8805(1), Florida Statutes, provides:

It is unlawful for any person to act as or hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the office pursuant to ss. 626.88-626.894. To qualify for and hold authority to act as an administrator in this state, an administrator must otherwise be in compliance with this code and with its organizational agreement. The failure of any person to hold such a certificate while acting as an administrator shall subject such person to a fine of not less than \$5,000 or more than \$10,000 for each violation.

113. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

114. AMERICAN TRADE acted as an administrator and marketer in the state of Florida on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, and/or AFFINITY GROUP.

115. AMERICAN TRADE acted as an administrator and marketer for at least 2,259 health insurance policies offered or sold in the state of Florida.

WHEREFORE, because AMERICAN TRADE violated Section 626.8805, Florida Statutes, the OFFICE intends to issue an Order requiring AMERICAN TRADE to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$10,000 for each violation.

COUNT XI: SMART DATA DIRECTLY OR INDIRECTLY ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA, § 626.901, FLA. STAT.

116. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

117. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

118. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

119. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

120. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

121. SMART DATA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP and/or AMERICAN TRADE.

WHEREFORE, because SMART DATA violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring SMART DATA to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT XII: SMART DATA ACTED AS AN ADMINISTRATOR OR HELD ITSELF OUT AS AN ADMINISTRATOR IN FLORIDA WITHOUT A VALID CERTIFICATE OF AUTHORITY, § 626.8805, FLA. STAT.

122. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

123. Section 626.88(1), Florida Statutes, defines an "Administrator" as "any person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with authorized commercial self-insurance funds or with insured or self-insured programs which provide life or health insurance coverage or coverage of any other expenses described in s. 624.33(1)."

124. Section 626.8805(1), Florida Statutes, provides:

It is unlawful for any person to act as or hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the office pursuant to ss. 626.88-626.894. To qualify for and hold authority to act as an administrator in this state, an administrator must otherwise be in compliance with this code and with its organizational agreement. The failure of any person to hold such a certificate while acting as an administrator shall subject such person to a fine of not less than \$5,000 or more than \$10,000 for each violation.

125. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

126. SMART DATA acted as an administrator and marketer in the state of Florida on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, and/or AMERICAN TRADE.

127. SMART DATA acted as an administrator and marketer for at least 2,259 health insurance policies offered or sold in the state of Florida.

WHEREFORE, because SMART DATA violated Section 626.8805, Florida Statutes, the OFFICE intends to issue an Order requiring SMART DATA to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$10,000 for each violation.

COUNT XIII: SDS MANAGEMENT DIRECTLY OR INDIRECTLY ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA, § 626.901, FLA. STAT.

128. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

129. Section 624.401(1); Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

130. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

131. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

132. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

133. SDS MANAGEMENT offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, and/or AMERICAN TRADE.

WHEREFORE, because SDS MANAGEMENT violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring SDS MANAGEMENT to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT XIV: SDS MANAGEMENT ACTED AS AN ADMINISTRATOR OR HELD ITSELF OUT AS AN ADMINISTRATOR IN FLORIDA WITHOUT A VALID CERTIFICATE OF AUTHORITY, § 626.8805, FLA. STAT.

134. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

135. Section 626.88(1), Florida Statutes, defines an "Administrator" as "any person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with authorized commercial self-insurance funds or with insured or self-insured programs which provide life or health insurance coverage or coverage of any other expenses described in s. 624.33(1)."

136. Section 626.8805(1), Florida Statutes, provides:

It is unlawful for any person to act as or hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the office pursuant to ss. 626.88-626.894. To qualify for and hold authority to act as an administrator in this state, an administrator must otherwise be in compliance with this code and with its organizational agreement. The failure of any person to hold such a certificate while acting as an administrator shall subject such person to a fine of not less than \$5,000 or more than \$10,000 for each violation.

137. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

138. SDS MANAGEMENT acted as an administrator and marketer in the state of Florida on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, and/or AMERICAN TRADE.

139. SDS MANAGEMENT acted as an administrator and marketer for at least 2,259 health insurance policies offered or sold in the state of Florida.

WHEREFORE, because SDS MANAGEMENT violated Section 626.8805, Florida Statutes, the OFFICE intends to issue an Order requiring SDS MANAGEMENT to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$10,000 for each violation.

COUNT XV: BART POSEY, RICHARD H. BACHMAN, AND OBED KIRKPATRICK ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

140. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

141. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

142. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

143. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

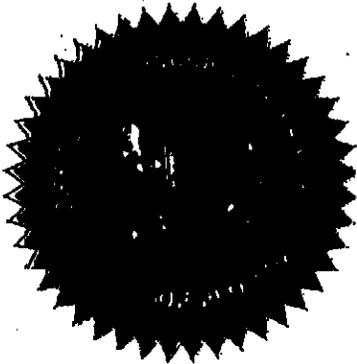
144. Section 626.9581, Florida Statutes, provides:

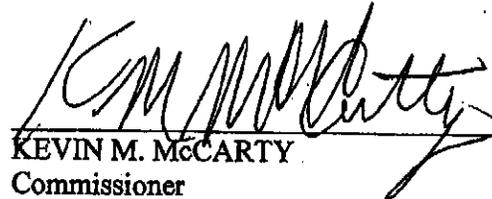
If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

145. BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK offered or provided health insurance benefits to residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

DATED AND SIGNED this 19TH day of FEBRUARY 2010.




KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one may be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.2015, F.A.C., including but not limited to:

- a) A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the petition must so state; and
- b) A statement of when the respondent received notice of the agency's action.

These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances, you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing ORDER has been furnished by U.S. Certified Mail this 19th day of February 2010 to:

BEEMA-PAKISTAN COMPANY, LTD.

Mirza Shah Nawaz Agha, Chairman and
Chief Executive
Colin Jack Youell, Director
412-427, 4th Floor, Muhammadi House,
I. I. Chundrigar Road
Post Office Box 5626
Karachi-74000, Pakistan

WILLIAM WORTHY II

Post Office Box 611
Blythewood, South Carolina 29016
and
117 Winding Oak Way
Blythewood, South Carolina 29016

SERVE AMERICA ASSURANCE, LTD.

William Worthy II, President
Post Office Box 611
Blythewood, South Carolina 29016
and

DAVID L. CLARK

118 A Fulton Street, Post Office Box 138
New York, New York 10038

117 Winding Oak Way
Blythewood, South Carolina 29016

REAL BENEFITS ASSOCIATION

David L. Clark, Chairman and President
118 A Fulton Street, Post Office Box 138
New York, New York 10038

BART POSEY

4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

**AFFINITY GROUP BENEFITS
ASSOCIATION, INC.**

Ernest Beall, President
4676 Highway 41 North
Springfield, Tennessee 39172

**AMERICAN TRADE ASSOCIATION,
INC.**

Bart Posey
Richard H. Bachman
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

RICHARD H. BACHMAN

4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

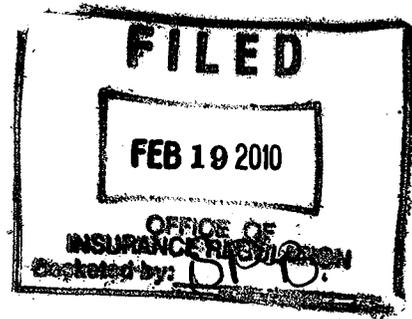
**SMART DATA SOLUTIONS, L.L.C.
SDS MANAGEMENT GROUP**

Bart Posey, President
Richard H. Bachman, Vice President
Obed Kirkpatrick
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

OBED KIRKPATRICK
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172



Rhoda K. Johnson
Assistant General Counsel
Office of Insurance Regulation
612 Larson Building
200 East Gaines Street
Tallahassee, Florida 32399-4206
(850) 413-4252



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 106845-09

**BEEMA-PAKISTAN COMPANY, LTD.
SERVE AMERICA ASSURANCE, LTD.
WILLIAM WORTHY II
REAL BENEFITS ASSOCIATION
DAVID L. CLARK
AFFINITY GROUP BENEFITS ASSOCIATION, INC.
AMERICAN TRADE ASSOCIATION, INC.
SMART DATA SOLUTIONS, L.L.C.
SDS MANAGEMENT GROUP
BART POSEY
RICHARD H. BACHMAN
OBED KIRKPATRICK**

ORDER

TO:

BEEMA-PAKISTAN COMPANY, LTD.
Mirza Shahnawaz Agha, Chairman and
Chief Executive
Colin Jack Youell, Director
412-427, 4th Floor, Muhammadi House,
I. I. Chundrigar Road
Post Office Box 5626
Karachi-74000, Pakistan

WILLIAM WORTHY II
Post Office Box 611
Blythewood, South Carolina 29016
and
117 Winding Oak Way
Blythewood, South Carolina 29016

SERVE AMERICA ASSURANCE, LTD.
William Worthy II, President
Post Office Box 611
Blythewood, South Carolina 29016
and

DAVID L. CLARK
118 A Fulton Street, Post Office Box 138
New York, New York 10038

117 Winding Oak Way
Blythewood, South Carolina 29016

REAL BENEFITS ASSOCIATION

David L. Clark, Chairman and President
118 A Fulton Street, Post Office Box 138
New York, New York 10038

**AFFINITY GROUP BENEFITS
ASSOCIATION, INC.**

Ernest Beall, President
4676 Highway 41 North
Springfield, Tennessee 39172

**AMERICAN TRADE ASSOCIATION,
INC.**

Bart Posey
Richard H. Bachman
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

**SMART DATA SOLUTIONS, L.L.C.
SDS MANAGEMENT GROUP**

Bart Posey, President
Richard H. Bachman, Vice President
Obed Kirkpatrick
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

BART POSEY

4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

RICHARD H. BACHMAN

4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

OBED KIRKPATRICK

4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

YOU ARE HEREBY NOTIFIED that pursuant to the provisions of the Florida Insurance Code, the State of Florida Office of Insurance Regulation (the "OFFICE") has caused an investigation to be made of the insurance-related activities of BEEMA-PAKISTAN COMPANY, LTD., SERVE AMERICA ASSURANCE, LTD., WILLIAM WORTHY II, REAL BENEFITS ASSOCIATION, DAVID L. CLARK, AFFINITY GROUP BENEFITS ASSOCIATION, INC., AMERICAN TRADE ASSOCIATION, INC., SMART DATA SOLUTIONS, L.L.C., SDS MANAGEMENT GROUP, BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK and that the OFFICE intends to issue a Final Order pursuant to Sections 626.909, 626.910, and 626.9581, Florida Statutes, requiring the aforementioned companies to cease and desist from engaging in the transaction of insurance in the state of Florida and pay fines, as set forth in Sections 624.4211, 624.437, 626.8805, and 626.910, Florida Statutes (2009). As grounds therefor, the OFFICE alleges the following:

GENERAL ALLEGATIONS

1. The Office has jurisdiction over the parties and subject matter pursuant to Sections 624.307, 624.310, 624.317, 624.318, 624.437, 626.909, and 626.9561, Florida Statutes.
2. BEEMA-PAKISTAN COMPANY LIMITED, LTD. ("BEEMA") is a foreign corporation with a principal place of business at 412-427, 4th Floor, Muhammadi House, I. I. Chundrigar Road, Post Office Box 5626, Karachi-74000, Pakistan.
3. BEEMA is a foreign corporation that offers and provides insurance products.
4. BEEMA is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.
5. BEEMA is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

6. BEEMA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

7. SERVE AMERICA ASSURANCE, LTD. ("SERVE AMERICA") is a foreign corporation with a principal place of business at 117 Winding Oak Way, Blythewood, South Carolina 29016.

8. SERVE AMERICA is a wholly owned, offshore, captive insurance company of BEEMA.

9. SERVE AMERICA is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

10. SERVE AMERICA is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

11. SERVE AMERICA issued health insurance policies in the state of Florida that were written by BEEMA.

12. SERVE AMERICA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

13. WILLIAM WORTHY II is the President of SERVE AMERICA.

14. WILLIAM WORTHY II is not licensed as an insurance representative of any type in the state of Florida.

15. WILLIAM WORTHY II offered or sold health insurance benefits to residents of the state of Florida on behalf of SERVE AMERICA.

16. REAL BENEFITS ASSOCIATION ("REAL BENEFITS") is a foreign corporation with a principal place of business at 118 A Fulton Street, Post Office Box 138, New York, New York 10038.

17. REAL BENEFITS is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

18. REAL BENEFITS is not, and has never been, authorized to operate, maintain, or establish a multiple-employer welfare arrangement in the state of Florida.

19. REAL BENEFITS is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

20. REAL BENEFITS offered or provided in the state of Florida health insurance policies that were issued by SERVE AMERICA and written by BEEMA.

21. REAL BENEFITS offered or provided health insurance benefits to at least 228 residents of the state of Florida.

22. REAL BENEFITS entered into an Association Affiliation Agreement with AFFINITY GROUP and AMERICAN TRADE to offer or provide health insurance benefits to REAL BENEFITS members.

23. REAL BENEFITS operated, maintained, or established a multiple-employer welfare arrangement in the state of Florida.

24. REAL BENEFITS acted as an administrator and marketer for BEEMA and SERVE AMERICA in the state of Florida.

25. DAVID L. CLARK is the Chairman and President of REAL BENEFITS.

26. DAVID L. CLARK is not licensed as an insurance representative of any type in the state of Florida.

27. DAVID L. CLARK offered or sold health insurance benefits to residents of the state of Florida on behalf of REAL BENEFITS.

28. AFFINITY GROUP BENEFITS ASSOCIATION, INC. (“AFFINITY GROUP”) is a foreign corporation with a principle place of business at 4676 Highway 41 North, Springfield, Tennessee 39172.

29. AFFINITY GROUP is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

30. AFFINITY GROUP is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

31. AFFINITY GROUP issued health insurance policies in the state of Florida that were written by BEEMA.

32. AFFINITY GROUP offered or provided health insurance benefits to at least 228 residents of the state of Florida.

33. AFFINITY GROUP entered into an Association Affiliation Agreement with REAL BENEFITS to offer or provide health insurance benefits to REAL BENEFITS members.

34. AMERICAN TRADE ASSOCIATION, INC. (“AMERICAN TRADE”) is a foreign corporation with a principal place of business at 4676 Highway 41 North, Springfield, Tennessee 37172.

35. AMERICAN TRADE is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

36. AMERICAN TRADE is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

37. AMERICAN TRADE offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

38. AMERICAN TRADE entered into an Association Affiliation Agreement with REAL BENEFITS to offer or provide health insurance benefits to REAL BENEFITS members.

39. SMART DATA SOLUTIONS, L.L.C. ("SMART DATA") is a foreign corporation with a principal place of business at 4676 Highway 41 North, Springfield, Tennessee 37172.

40. SMART DATA is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

41. SMART DATA is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

42. SMART DATA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

43. SMART DATA acted as an administrator and marketer on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, and/or AMERICAN TRADE for health insurance policies offered or sold in the state of Florida.

44. SDS MANAGEMENT GROUP ("SDS MANAGEMENT") is a foreign corporation with a principal place of business at 4676 Highway 41 North, Springfield, Tennessee 37172.

45. SDS MANAGEMENT is not, and has never been, authorized to engage in the transaction of insurance in the state of Florida.

46. SDS MANAGEMENT is not exempt under any provision, either state or federal, from the requirements of the Florida Insurance Code.

47. SDS MANAGEMENT offered or provided health insurance benefits to at least 2,259 residents of the state of Florida.

48. SDS MANAGEMENT acted as an administrator and marketer on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, and/or AMERICAN TRADE for health insurance policies offered or sold in the state of Florida.

49. BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK are principal officers of AMERICAN TRADE, SMART DATA, and SDS MANAGEMENT.

50. BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK are not licensed as insurance representatives of any type in the state of Florida.

51. BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK offered or sold health insurance benefits to residents of the state of Florida on behalf of AMERICAN TRADE, SMART DATA, and SDS MANAGEMENT.

52. The purpose of Florida's Unauthorized Insurers Process Law is to subject certain insurers and persons representing or aiding such insurers to the jurisdiction of courts of this state in suits by or on behalf of insureds or beneficiaries under insurance contracts. The Florida Legislature declares that it is a subject of concern that many residents of this state hold policies of insurance issued or delivered in the state by insurers while not authorized to do business in this state, thus presenting to such residents the often insuperable obstacle of resorting to distant forums for the purpose of asserting legal rights under such policies. § 626.905, Fla. Stat. (2009).

53. It is the obligation and duty of the state of Florida to protect its residents and also proceed under the Unauthorized Insurers Process Law through the Office or Department in the courts of this state. § 626.909(1), Fla. Stat.

COUNT I: BEEMA ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

54. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

55. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

56. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

57. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

58. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

59. BEEMA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because BEEMA violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring BEEMA to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT II: SERVE AMERICA ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

60. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

61. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

62. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;

- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

63. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

64. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

65. SERVE AMERICA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through BEEMA, REAL BENEFITS, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because SERVE AMERICA violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring SERVE AMERICA to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT III: WILLIAM WORTHY II ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

66. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

67. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

68. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

69. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

70. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

71. WILLIAM WORTHY II offered or provided health insurance benefits to residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because WILLIAM WORTHY II violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring WILLIAM WORTHY II to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT IV: REAL BENEFITS ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

72. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

73. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

74. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

75. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

76. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

77. REAL BENEFITS offered or provided health insurance benefits to at least 228 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because REAL BENEFITS violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring REAL BENEFITS to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT V: REAL BENEFITS OPERATED, MAINTAINED, OR ESTABLISHED AN UNAUTHORIZED MULTIPLE-EMPLOYER WELFARE ARRANGEMENT IN FLORIDA, § 624.437, FLA. STAT.

78. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

79. Section 624.437(1), Florida Statutes, defines a “Multiple-employer Welfare Arrangement” as “an employee welfare benefit plan or any other arrangement which is established or maintained for the purpose of offering or providing health insurance benefits or any other benefits described in s. 624.33, other than life insurance benefits, to the employees of two or more employers, or to their beneficiaries.”

80. Section 624.437(2), Florida Statutes, provides:

No person shall operate, maintain, or, after October 1, 1983, establish a multiple-employer welfare arrangement unless such arrangement has a valid certificate of authority issued by the office.

81. 624.437(4)(a), Florida Statutes, provides:

Any person failing to hold a subsisting certificate of authority from the office while operating or maintaining a multiple-employer welfare arrangement shall be subject to a fine of not less than \$5,000 or more than \$100,000 for each violation.

82. Section 624.437(4)(b), Florida Statutes, provides:

Any person who operates or maintains a multiple-employer welfare arrangement without a subsisting certificate of authority from the office shall be subject to the cease and desist penalty powers of the office as set forth in ss. 626.9571, 626.9581, 626.9591, and 626.9601.

83. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

84. REAL BENEFITS operated, maintained, or established an unauthorized multiple-employer welfare arrangement in the state of Florida.

85. REAL BENEFITS offered or provided health insurance benefits in the state of Florida to at least 228 members of its association.

WHEREFORE, because REAL BENEFITS violated Section 624.437, Florida Statutes, the OFFICE intends to issue an Order requiring REAL BENEFITS to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$100,000 for each violation.

COUNT VI: REAL BENEFITS ACTED AS AN ADMINISTRATOR OR HELD ITSELF OUT AS AN ADMINISTRATOR IN FLORIDA WITHOUT A VALID CERTIFICATE OF AUTHORITY, § 626.8805, FLA. STAT.

86. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

87. Section 626.88(1), Florida Statutes, defines an “Administrator” as “any person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with authorized commercial self-insurance funds or with insured or self-insured programs which provide life or health insurance coverage or coverage of any other expenses described in s. 624.33(1).”

88. Section 626.8805(1), Florida Statutes, provides:

It is unlawful for any person to act as or hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the office pursuant to ss. 626.88-626.894. To qualify for and hold authority to act as an administrator in this state, an administrator must otherwise be in compliance with this code and with its organizational agreement. The failure of any person to hold such a certificate while acting as an administrator shall subject such person to a fine of not less than \$5,000 or more than \$10,000 for each violation.

89. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

90. REAL BENEFITS acted as an administrator and marketer in the state of Florida on behalf of BEEMA and SERVE AMERICA.

91. REAL BENEFITS acted as an administrator and marketer for at least 228 health insurance policies offered or sold in the state of Florida.

WHEREFORE, because REAL BENEFITS violated Section 626.8805, Florida Statutes, the OFFICE intends to issue an Order requiring REAL BENEFITS to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$10,000 for each violation.

COUNT VII: DAVID L. CLARK ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

92. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

93. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

94. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

95. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

96. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

97. DAVID L. CLARK offered or provided health insurance benefits to residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because DAVID L. CLARK violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring DAVID L. CLARK to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT VIII: AFFINITY GROUP ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, FLA. STAT. § 626.901.

98. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

99. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

100. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

101. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

102. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

103. AFFINITY GROUP offered or provided health insurance benefits to at least 228 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because AFFINITY GROUP violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring AFFINITY GROUP to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT IX: AMERICAN TRADE ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

104. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

105. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

106. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;

- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

107. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

108. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

109. AMERICAN TRADE offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because AMERICAN TRADE violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring AMERICAN TRADE to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT X: AMERICAN TRADE ACTED AS AN ADMINISTRATOR OR HELD ITSELF OUT AS AN ADMINISTRATOR IN FLORIDA WITHOUT A VALID CERTIFICATE OF AUTHORITY, § 626.8805, FLA. STAT.

110. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

111. Section 626.88(1), Florida Statutes, defines an “Administrator” as “any person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with authorized commercial self-insurance funds or with insured or self-insured programs which provide life or health insurance coverage or coverage of any other expenses described in s. 624.33(1).”

112. Section 626.8805(1), Florida Statutes, provides:

It is unlawful for any person to act as or hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the office pursuant to ss. 626.88-626.894. To qualify for and hold authority to act as an administrator in this state, an administrator must otherwise be in compliance with this code and with its organizational agreement. The failure of any person to hold such a certificate while acting as an administrator shall subject such person to a fine of not less than \$5,000 or more than \$10,000 for each violation.

113. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

114. AMERICAN TRADE acted as an administrator and marketer in the state of Florida on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, and/or AFFINITY GROUP.

115. AMERICAN TRADE acted as an administrator and marketer for at least 2,259 health insurance policies offered or sold in the state of Florida.

WHEREFORE, because AMERICAN TRADE violated Section 626.8805, Florida Statutes, the OFFICE intends to issue an Order requiring AMERICAN TRADE to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$10,000 for each violation.

COUNT XI: SMART DATA DIRECTLY OR INDIRECTLY ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA, § 626.901, FLA. STAT.

116. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

117. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

118. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

119. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

120. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

121. SMART DATA offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP and/or AMERICAN TRADE.

WHEREFORE, because SMART DATA violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring SMART DATA to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT XII: SMART DATA ACTED AS AN ADMINISTRATOR OR HELD ITSELF OUT AS AN ADMINISTRATOR IN FLORIDA WITHOUT A VALID CERTIFICATE OF AUTHORITY, § 626.8805, FLA. STAT.

122. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

123. Section 626.88(1), Florida Statutes, defines an “Administrator” as “any person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with authorized commercial self-insurance funds or with insured or self-insured programs which provide life or health insurance coverage or coverage of any other expenses described in s. 624.33(1).”

124. Section 626.8805(1), Florida Statutes, provides:

It is unlawful for any person to act as or hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the office pursuant to ss. 626.88-626.894. To qualify for and hold authority to act as an administrator in this state, an administrator must otherwise be in compliance with this code and with its organizational agreement. The failure of any person to hold such a certificate while acting as an administrator shall subject such person to a fine of not less than \$5,000 or more than \$10,000 for each violation.

125. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

126. SMART DATA acted as an administrator and marketer in the state of Florida on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, and/or AMERICAN TRADE.

127. SMART DATA acted as an administrator and marketer for at least 2,259 health insurance policies offered or sold in the state of Florida.

WHEREFORE, because SMART DATA violated Section 626.8805, Florida Statutes, the OFFICE intends to issue an Order requiring SMART DATA to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$10,000 for each violation.

COUNT XIII: SDS MANAGEMENT DIRECTLY OR INDIRECTLY ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA, § 626.901, FLA. STAT.

128. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

129. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

130. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

131. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

132. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

133. SDS MANAGEMENT offered or provided health insurance benefits to at least 2,259 residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, and/or AMERICAN TRADE.

WHEREFORE, because SDS MANAGEMENT violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring SDS MANAGEMENT to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

COUNT XIV: SDS MANAGEMENT ACTED AS AN ADMINISTRATOR OR HELD ITSELF OUT AS AN ADMINISTRATOR IN FLORIDA WITHOUT A VALID CERTIFICATE OF AUTHORITY, § 626.8805, FLA. STAT.

134. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

135. Section 626.88(1), Florida Statutes, defines an “Administrator” as “any person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with authorized commercial self-insurance funds or with insured or self-insured programs which provide life or health insurance coverage or coverage of any other expenses described in s. 624.33(1).”

136. Section 626.8805(1), Florida Statutes, provides:

It is unlawful for any person to act as or hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the office pursuant to ss. 626.88-626.894. To qualify for and hold authority to act as an administrator in this state, an administrator must otherwise be in compliance with this code and with its organizational agreement. The failure of any person to hold such a certificate while acting as an administrator shall subject such person to a fine of not less than \$5,000 or more than \$10,000 for each violation.

137. Section 626.9581, Florida Statutes, provides:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

138. SDS MANAGEMENT acted as an administrator and marketer in the state of Florida on behalf of BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, and/or AMERICAN TRADE.

139. SDS MANAGEMENT acted as an administrator and marketer for at least 2,259 health insurance policies offered or sold in the state of Florida.

WHEREFORE, because SDS MANAGEMENT violated Section 626.8805, Florida Statutes, the OFFICE intends to issue an Order requiring SDS MANAGEMENT to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$10,000 for each violation.

COUNT XV: BART POSEY, RICHARD H. BACHMAN, AND OBED KIRKPATRICK ENGAGED IN THE UNAUTHORIZED TRANSACTION OF INSURANCE IN FLORIDA DIRECTLY OR INDIRECTLY THROUGH AN UNAUTHORIZED AGENT OR REPRESENTATIVE, § 626.901, FLA. STAT.

140. The general allegations, *supra* ¶¶ 1-53, are hereby re-alleged and incorporated by this reference.

141. Section 624.401(1), Florida Statutes, provides:

No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

142. Section 626.901, Florida Statutes, provides:

(1) No person shall, from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state in:

- (a) The solicitation, negotiation, procurement, or effectuation of insurance or annuity contracts, or renewals thereof;
- (b) The dissemination of information as to coverage or rates;
- (c) The forwarding of applications;
- (d) The delivery of policies or contracts;
- (e) The inspection of risks;
- (f) The fixing of rates;
- (g) The investigation or adjustment of claims or losses; or
- (h) The collection or forwarding of premiums;

or in any other manner represent or assist such an insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state.

143. Section 626.910, Florida Statutes, provides:

Any unauthorized insurer or person representing or aiding such insurer transacting insurance in this state and subject to service of process as referred to in s. 626.909 shall forfeit and pay to the state a civil penalty of not more than \$1,000 for each nonwillful violation, or not more than \$10,000 for each willful violation, of any lawful order of the office or department or any provision of this code.

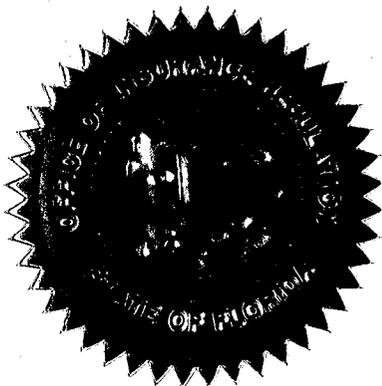
144. Section 626.9581, Florida Statutes, provides:

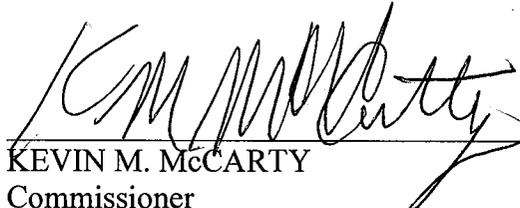
If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance.

145. BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK offered or provided health insurance benefits to residents of the state of Florida, either directly or indirectly, through BEEMA, SERVE AMERICA, REAL BENEFITS, AFFINITY GROUP, AMERICAN TRADE, SMART DATA, and/or SDS MANAGEMENT.

WHEREFORE, because BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK violated Sections 624.401 and 626.901, Florida Statutes, the OFFICE intends to issue an Order requiring BART POSEY, RICHARD H. BACHMAN, and OBED KIRKPATRICK to cease and desist from engaging in the unlawful transaction of insurance in the state of Florida and/or to pay fines of up to \$1,000 for each violation.

DATED AND SIGNED this 19TH day of FEBRUARY 2010.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one may be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.2015, F.A.C., including but not limited to:

- a) A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the petition must so state; and
- b) A statement of when the respondent received notice of the agency's action.

These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances, you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing ORDER has been furnished by U.S. Certified Mail this 19th day of February 2010 to:

BEEMA-PAKISTAN COMPANY, LTD.

Mirza Shahnawaz Agha, Chairman and
Chief Executive
Colin Jack Youell, Director
412-427, 4th Floor, Muhammadi House,
I. I. Chundrigar Road
Post Office Box 5626
Karachi-74000, Pakistan

WILLIAM WORTHY II

Post Office Box 611
Blythewood, South Carolina 29016
and
117 Winding Oak Way
Blythewood, South Carolina 29016

SERVE AMERICA ASSURANCE, LTD.

William Worthy II, President
Post Office Box 611
Blythewood, South Carolina 29016
and

DAVID L. CLARK

118 A Fulton Street, Post Office Box 138
New York, New York 10038

117 Winding Oak Way
Blythewood, South Carolina 29016

REAL BENEFITS ASSOCIATION

David L. Clark, Chairman and President
118 A Fulton Street, Post Office Box 138
New York, New York 10038

BART POSEY

4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

**AFFINITY GROUP BENEFITS
ASSOCIATION, INC.**

Ernest Beall, President
4676 Highway 41 North
Springfield, Tennessee 39172

**AMERICAN TRADE ASSOCIATION,
INC.**

Bart Posey
Richard H. Bachman
4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

RICHARD H. BACHMAN

4676 Highway 41 North
Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

**SMART DATA SOLUTIONS, L.L.C.
SDS MANAGEMENT GROUP**

Bart Posey, President
Richard H. Bachman, Vice President
Obed Kirkpatrick
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Springfield, Tennessee 37172
and
400 Memorial Boulevard
Springfield, Tennessee 37172

OBED KIRKPATRICK

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