



FILED

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INSURANCE REGULATION

Docketed by: 015

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 302700-22-CO

Application for Redomestication of
AMERICAN SPECIALTY HEALTH
INSURANCE COMPANY

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing of an application with the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE") by AMERICAN SPECIALTY HEALTH INSURANCE COMPANY ("APPLICANT") of an application for approval of the transfer of APPLICANT's domicile to the state of Florida ("Application"), pursuant to Section 628.520, Florida Statutes. Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the transfer of its domicile from the state of Indiana to the state of Florida, pursuant to the applicable provisions of the Florida Insurance Code.
3. APPLICANT is currently an Indiana domiciled insurer. APPLICANT is authorized to write the Life and Annuities and Accident & Health lines of insurance in Indiana.

4. Effective upon the date of transfer of its domicile to the state of Florida, APPLICANT will be authorized to write the (0440) Credit Life, (0441) Credit Disability, and (0450) Accident and Health lines of insurance in this state on a direct basis, subject to the terms and conditions established herein.

5. APPLICANT is 100% owned by AMERICAN SPECIALTY HEALTH INCORPORATED (“AMERICAN SPECIALTY”), a Delaware corporation that is owned 34.12% by George DeVries, III; 34.12% by Jan DeVries; and 12.99% by Holdingco, Inc., with no other 10% or greater shareholders

6. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT or AMERICAN SPECIALTY shall cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of APPLICANT without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

7. APPLICANT has filed, and the OFFICE has relied upon, the representations in the Plan of Operation and supporting documents that APPLICANT has submitted with its Application. Written approval must be secured from the OFFICE prior to any material deviation from said Plan of Operation.

8. Any new agreements or amendments to existing agreements that APPLICANT enters into for services to be provided to the APPLICANT, directly or indirectly, by any affiliated

person, entity, or related party, as defined in Statement of Statutory Accounting Principles No. 25 of the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual, shall be in writing and submitted to the OFFICE for the OFFICE's review and prior written approval. "Affiliate" and "affiliated person" shall have the same meaning as in Section 624.10, Florida Statutes.

9. APPLICANT acknowledges that any managerial, administrative, or cost-sharing arrangements involving APPLICANT shall be in accordance with a formal written agreement, and contain, at a minimum, the following:

a) A requirement of monthly cash settlement of any expenses incurred for the month; and

b) A clear delineation of the financial boundaries of each operation. Further, APPLICANT shall not bear any occupancy expenses for space that is occupied by any other affiliate and, upon examination, shall be prepared to demonstrate how the occupancy cost and space is allocated among co-located entities.

10. Any arrangement or agreement with an affiliated party for the provision of administrative services shall be evidenced by a written contract. Any such contract shall comply with the following requirements:

a) APPLICANT must have the right to terminate the contract for cause;

b) The contract shall contain a provision with respect to the underwriting or other standards pertaining to the business underwritten by APPLICANT;

c) The contract shall be retained as part of the official records of both the affiliate and APPLICANT for the term of the contract and 5 years afterward;

d) Payment to the affiliate of any premiums or charges for insurance by or on behalf of the insured shall be deemed to have been received by APPLICANT, and return premiums or claims payments forwarded by APPLICANT to the affiliate shall not be deemed to have been paid to the insured or claimant until such payments are received by the insured or claimant;

e) The affiliate shall hold all funds collected on behalf of or for APPLICANT as well as all return premiums received from APPLICANT in a fiduciary capacity in trust accounts;

f) The affiliate shall adhere to underwriting standards, rules, procedures and manuals setting forth the rates to be charged, and the conditions for the acceptance or rejection of risks as determined by APPLICANT;

g) All fees and charges must be specified in the contract and they must be comparable to fees charged to any other insurer for which similar contracted services are provided by the affiliate; or, if the affiliate does not perform such services for other insurers, the fees charged must be reasonable in relation to the services provided;

h) All claims paid by the affiliate from funds collected on behalf of APPLICANT shall be paid only on drafts of, and as authorized by, APPLICANT;

i) APPLICANT shall retain the right of continuing access to books and records maintained by the affiliate sufficient to permit APPLICANT to fulfill all of its contractual obligations to insured persons, subject to any restrictions in the written agreement between APPLICANT and the affiliate on the proprietary rights of the parties in such books and records;

j) The affiliate shall provide a written notice approved by APPLICANT to insured individuals advising them of the identity of, and relationship among, the affiliate, the policyholder, and APPLICANT; and

k) Any policies, certificates, booklets, termination notices, or other written communications delivered by APPLICANT to the affiliate for delivery to its policyholders shall be delivered by the affiliate promptly after receipt of instructions from APPLICANT to deliver them.

11. APPLICANT or AMERICAN SPECIALTY shall notify the OFFICE within 10 business days of any breach, non-performance of, or default under, any servicing agreement with affiliates or third-party vendors providing services, directly or indirectly, to APPLICANT that could result in or cause a material adverse change in the financial condition, business performance, operations, or property of APPLICANT.

12. APPLICANT shall maintain sufficient and adequate internal controls and supervision of any external contractor providing services in connection with the insurance transactions of APPLICANT, and shall further assume responsibility for the actions of said contractor as they relate to any performance under the service agreements.

13. APPLICANT shall ensure that any agent it utilizes in Florida shall be properly appointed, pursuant to Section 626.8419, Florida Statutes.

14. APPLICANT shall file with the OFFICE, via the NAIC's electronic filing system, full and true statements of its financial condition, transactions, and affairs as required by Section 624.424, Florida Statutes, in a complete and timely manner. APPLICANT shall be subject to the requirements of Parts I and II of Chapter 625, Florida Statutes. Non-qualifying assets or investments in excess of limitations shall be non-admitted by the OFFICE and the surplus as to policyholders adjusted accordingly.

15. During the 3 years following entry of this Consent Order, APPLICANT shall pay only those dividends that have been approved in advance and in writing by the OFFICE.

16. For 3 years from the date of execution of this Consent Order, APPLICANT shall obtain prior written approval from the OFFICE of any plan to appoint or elect a person as an officer or director of APPLICANT who was not an officer or director of APPLICANT at the time this Consent Order was executed. This requirement may be extended by written notice from the OFFICE. Additionally, APPLICANT shall notify the OFFICE of any change, including termination or resignation, of any officer or director. APPLICANT agrees that failure to remedy any officer or director vacancy within a timeframe acceptable to the OFFICE would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as the OFFICE deems appropriate upon the Certificate of Authority of APPLICANT without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

17. APPLICANT has provided with its Application copies of affiliated agreements. APPLICANT shall provide executed intercompany and affiliated agreements to the OFFICE within 10 days of the Indiana Department of Insurance's approval of the redomestication.

18. Within 10 days of the Indiana Department of Insurance's approval of the redomestication, APPLICANT shall submit to the OFFICE the following:

- a) Three executed originals of its draft Articles of Incorporation for the OFFICE's stamped approval;
- b) A copy of its stamped Articles of Incorporation certified by the Florida Secretary of State;
- c) An executed copy of the Amended and Restated Bylaws certified by the Secretary as a true and accurate copy;
- d) An executed Service of Process form if there have been any changes; and

e) A Certificate of Status issued by the Florida Secretary of State evidencing that APPLICANT has been registered as a domestic insurer.

19. APPLICANT shall not enter into any reinsurance or brokerage agreement, whether or not affiliated, that requires approval from the reinsurer or broker regarding any potential sale of APPLICANT.

20. APPLICANT shall maintain its principal place of business in Florida and shall make available to the OFFICE complete records of its affairs. Pursuant to Section 628.281(1)(c), Florida Statutes, APPLICANT has requested an exemption from the requirement to maintain its principal operations office, records, and assets in Florida pursuant to Section 628.271, Florida Statutes. This exemption request is approved.

21. APPLICANT shall, within 30 days of execution of this Consent Order, make and thereafter maintain a deposit with the Bureau of Collateral Management in the amount of at least \$300,000 United States Dollars, as required by Section 624.411, Florida Statutes.

22. APPLICANT shall file and thereafter maintain an anti-fraud plan that complies with Section 626.9891, Florida Statutes, and Chapter 69D-2, Florida Administrative Code.

23. APPLICANT acknowledges that the OFFICE's approval of APPLICANT's redomestication to the state of Florida is subject to the Indiana Department of Insurance's approval. APPLICANT shall, within 3 business days of receiving said approval, submit to the OFFICE a copy of all documents evidencing approval of APPLICANT's request to transfer domicile from the state of Indiana to the state of Florida, including any conditions imposed on APPLICANT. Should the Indiana Department of Insurance not approve APPLICANT's redomestication to the state of Florida this Consent Order shall be null and void.

24. APPLICANT shall, no later than 15 days after the end of the month in which the redomestication occurs, file an update to its Holding Company Registration Statement as required by Section 628.801, Florida Statutes, and Rule 690-143.046, Florida Administrative Code.

25. APPLICANT's ultimate controlling person, as defined in Section 628.801(2), Florida Statutes, shall file with the OFFICE the Enterprise Risk Report required by Section 628.801(2), Florida Statutes, and any and all additional information necessary to evaluate the enterprise risk of APPLICANT and APPLICANT's affiliates.

26. Any prior orders, consent orders, or corrective action plans that APPLICANT has entered into with the OFFICE prior to the issuance of this Consent Order shall apply and remain in full force and effect for APPLICANT, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

27. APPLICANT and AMERICAN SPECIALTY affirm that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the current and future operations of APPLICANT. APPLICANT and AMERICAN SPECIALTY further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

28. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such

approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

29. APPLICANT and AMERICAN SPECIALTY affirm that all requirements set forth herein are material to the issuance of this Consent Order.

30. APPLICANT and AMERICAN SPECIALTY expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT and AMERICAN SPECIALTY hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

31. Each party to this action shall bear its own costs and fees.

32. APPLICANT agrees that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon APPLICANT's Certificate of Authority in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

33. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the notarized signatures of the authorized representatives of APPLICANT and AMERICAN SPECIALTY.

WHEREFORE, the agreement between AMERICAN SPECIALTY HEALTH INSURANCE COMPANY, AMERICAN SPECIALTY HEALTH INCORPORATED, and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED, and the Application for approval of the transfer of AMERICAN SPECIALTY HEALTH INSURANCE COMPANY 's domicile to the state of Florida, pursuant to Section 628.520, Florida Statutes, is hereby APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 8th day of December, 2022.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, AMERICAN SPECIALTY HEALTH INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind AMERICAN SPECIALTY HEALTH INSURANCE COMPANY to the terms and conditions of this Consent Order.

AMERICAN SPECIALTY HEALTH INSURANCE COMPANY

By: George DeVries

Print Name: George DeVries

Title: Chairman and CEO

Date: 12-6-22

[Corporate Seal]

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____ 2022, by _____ (name of person) as _____ (type of authority; e.g., officer, trustee, attorney in fact) for _____ (company name).

(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires _____

SEE ATTACHED CALIFORNIA ACKNOWLEDGMENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of SAN DIEGO)

On DECEMBER 6, 2022 before me, KIMBERLY DUGAN, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared GEORGE DEVRIES
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Document Date:
Number of Pages: Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Signer's Name:
[] Corporate Officer -- Title(s): [] Corporate Officer -- Title(s):
[] Partner -- [] Limited [] General [] Partner -- [] Limited [] General
[] Individual [] Attorney in Fact [] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator [] Trustee [] Guardian or Conservator
[] Other: [] Other:
Signer Is Representing: Signer Is Representing:

By execution hereof, AMERICAN SPECIALTY HEALTH INCORPORATED consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind AMERICAN SPECIALTY HEALTH INCORPORATED to the terms and conditions of this Consent Order.

AMERICAN SPECIALTY HEALTH INCORPORATED

By: George DeVries

Print Name: George DeVries

Title: Chairman and CEO

Date: 12-6-22

[Corporate Seal]

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or

online notarization, this ____ day of _____ 2022, by _____
(name of person)

as _____ for _____
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires _____

*SEE ATTACHED CALIFORNIA
ACKNOWLEDGMENT*

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

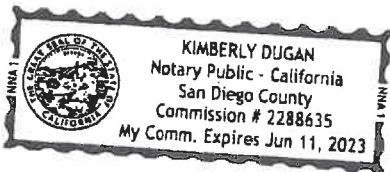
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of SAN DIEGO)
On DECEMBER 6, 2020 before me, KIMBERLY DUGAN, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer
personally appeared GEORGE DEVAIRES
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____
 Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____
 Partner — Limited General Partner — Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian or Conservator Trustee Guardian or Conservator
 Other: _____ Other: _____
Signer Is Representing: _____ Signer Is Representing: _____

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