



FILED

DEC 22 2022

OFFICE OF INSURANCE REGULATION

INSURANCE REGULATION
Docketed by: KE

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 304068-22-CO

Application for Direct Acquisition of
AVMED, INC., by
SENTARA HOLDINGS FLORIDA, LLC.

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by SENTARA HOLDINGS FLORIDA, LLC. (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”), of an application for the direct acquisition of AVMED, INC. (“AVMED”), pursuant to Sections 628.461 and 641.255, Florida Statutes (“Application”). 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 granting of approval by the OFFICE for the proposed direct acquisition of AVMED by APPLICANT, pursuant to the requirements of the Florida Insurance Code.
3. AVMED is a licensed Health Maintenance Organization (“HMO”) domiciled in the state of Florida and is subject to the jurisdiction and regulation of the OFFICE, pursuant to Part I of Chapter 641, Florida Statutes.

4. AVMED is 100% owned by SANTAFE HEALTHCARE, INC. (“SANTAFE”), a Florida non-profit corporation.

5. APPLICANT is a Florida limited liability company, which is 100% owned by SENTARA HEALTHCARE (“SENTARA”), a Virginia non-profit corporation.

6. SENTARA, AVMED, and SANTAFE have agreed to a Transfer of Governance Rights Agreement as represented in the Application (“Transaction”).

7. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application, and who has not otherwise disclaimed control, is unacceptable under the Florida Insurance Code, APPLICANT, SENTARA, or AVMED 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, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes, and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of AVMED without further proceedings.

8. AVMED shall file a Risk Based Capital Report with each annual filing beginning with the 2022 annual statement filing with the OFFICE and the National Association of Insurance Commissioners (“NAIC”). Notwithstanding other applicable surplus requirements, APPLICANT agrees that AVMED will remain in compliance with the Risk Based Capital requirements described in Section 624.4085, Florida Statutes.

9. APPLICANT and AVMED will cooperate with financial and market conduct examinations conducted by the OFFICE, and make their accounts, records, documents, files,

information, assets, and matters in their possession or control freely available to the OFFICE, its examiners, or its investigators, in accordance with Sections 624.318 and 641.27, Florida Statutes.

10. AVMED shall be required at all times to maintain capital and surplus as required by Sections 641.19(19) and 641.225, Florida Statutes. APPLICANT and AVMED agree that failure to maintain compliance at all times with the capital and surplus requirement would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as it deems appropriate upon the Certificate of Authority of AVMED without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

11. APPLICANT will make all necessary funds available to AVMED to maintain compliance with surplus requirements.

12. AVMED shall maintain at all times a ratio of premium and risk revenue to capital and surplus not greater than 10:1. APPLICANT, SENTARA, and AVMED agree that AVMED's failure to maintain compliance at all times with this writing ratio requirement 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 AVMED without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

13. APPLICANT, SENTARA, and AVMED represent there are no present plans or proposals to make substantive changes to the Plan of Operations of AVMED. Prior written approval must be secured from the OFFICE before any material deviation from said Plan of Operations.

14. APPLICANT, SENTARA, and AVMED represent that, except as described in the Application, there are no present plans or proposals to make any substantive changes to AVMED, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions in the ordinary course of business), merging or consolidating it with any person or persons, or making any other major change in its business operations, management, or corporate structure.

15. APPLICANT and AVMED represent that there are no agreements, written or oral, related to the Application and Transaction that have not been provided to the OFFICE.

16. APPLICANT acknowledges that any amounts due to AVMED from a Medical Service Organization as part of a risk sharing arrangement are considered as non-admitted assets when determining compliance with solvency requirements under the Florida Insurance Code.

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

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

19. Any material changes to the information submitted in the Application filing shall be reported to the OFFICE for its review prior to the completion of the Transaction. APPLICANT, SENTARA, SANTAFE, and AVMED acknowledge that if the OFFICE determines that any of these reported changes would have a material negative impact to the financial condition or

operation of AVMED, the OFFICE may rescind its approval as granted in the Consent Order by written notice to APPLICANT or AVMED.

20. Within 10 business days after the Transaction is completed, APPLICANT shall submit, or cause to be submitted, to the OFFICE all documents evidencing completion of the Transaction and final copies of any related agreements not already provided to the OFFICE. Further, APPLICANT shall notify the OFFICE within 3 business days of a final determination that the Transaction will not occur.

21. All parties to this Consent Order acknowledge that completion of the Transaction is subject to obtaining any other requisite regulatory or governmental approvals and that this Consent Order shall be deemed null and void if the Transaction is not completed within 60 days of the execution of this Consent Order. Accordingly, if APPLICANT fails to receive any other requisite approvals or the Transaction is not completed timely, the provisions of this Consent Order shall terminate automatically and have no effect.

22. AVMED shall, no later than 15 days after the month in which the Transaction occurs, file an update to their Holding Company Registration Statement, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

23. AVMED shall submit to the OFFICE, within 15 days of the completion of the Transaction, any newly assigned National Association of Insurance Commissioners company group code.

24. Any prior orders, consent orders, or corrective action plans that AVMED has entered into with the OFFICE prior to the execution of this Consent Order shall apply and remain in full force and effect for AVMED, 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.

25. APPLICANT, SENTARA, SANTAFE, and AVMED affirm and represent that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with the 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 acquisition and future operations of AVMED. APPLICANT, SENTARA, SANTAFE, and AVMED 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.

26. 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.

27. APPLICANT, SENTARA, SANTAFE, and AVMED affirm that all requirements set forth herein are material to the issuance of this Consent Order.

28. APPLICANT, SENTARA, SANTAFE, and AVMED 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, SENTARA, SANTAFE, and AVMED 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.

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

30. APPLICANT, SENTARA, SANTAFE, and AVMED agree 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 AVMED's Certificate of Authority in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

31. 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 signatures of the authorized representatives of APPLICANT, SENTARA, SANTAFE, and AVMED.

WHEREFORE, subject to the terms and conditions set forth above, the Application for the direct acquisition of AVMED, INC., by SENTARA HOLDINGS FLORIDA, LLC, pursuant to Sections 628.461 and 641.255, Florida Statutes, is APPROVED.

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

DONE and ORDERED this 29th day of December, 2022.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, SENTARA HEALTHCARE, 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 SENTARA HEALTHCARE, to the terms and conditions of this Consent Order.

SENTARA HEALTHCARE

By: [Signature]

Print Name: Colin Drozdowski

Title: President

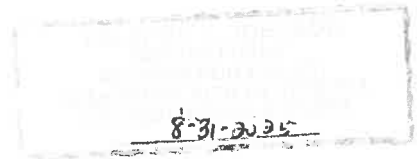
Date: 12/21/22

STATE OF Virginia
COUNTY OF Norfolk

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 21st day of December 2022, by Colin Drozdowski
(name of person)
as officer for Sentara Healthcare
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]
(Signature of the Notary)
Yolanda L. Johnson
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____
Type of Identification Produced _____
My Commission Expires: 8-31-2025



By execution hereof, SENTARA HOLDINGS FLORIDA, LLC, 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 SENTARA HOLDINGS FLORIDA, LLC, to the terms and conditions of this Consent Order.

SENTARA HOLDINGS FLORIDA, LLC

By: Earl J. Barnes II
056847288A784G5

Print Name: Earl J. Barnes II

Title: Assistant Secretary

Date: December 21, 2022

STATE OF Virginia

COUNTY OF Norfolk

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 21 day of December 2022, by Earl J. Barnes, II
(name of person)
as officer for Sentara Holdings Florida, LLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

Yolanda L. Johnson
(Signature of the Notary)
Yolanda L. Johnson
(Print, Type or Stamp Commissioned Name of Notary)

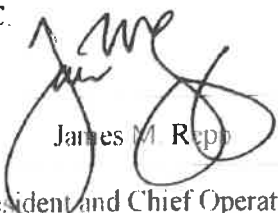
Personally Known OR Produced Identification

Type of Identification Produced _____

My Commission Expires: 8-31-2025

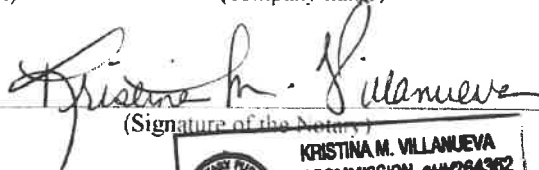
8-31-2025

By execution hereof, AVMED, INC., 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 AVMED, INC., to the terms and conditions of this Consent Order

AVMED, INC.
By: 
Print Name: James M. Repp
Title: President and Chief Operating Officer
Date: December 20, 2022

STATE OF Florida
COUNTY OF Miami-Dade

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 20th day of December 2022, by James M. Repp
(name of person)
as executive officer for AVMed, Inc.
(type of authority: e.g., officer, trustee, attorney in fact) (company name)


(Signature of the Notary)



Personally Known OR Produced Identification _____
Type of Identification Produced n/a
My Commission Expires: July 11, 2026

By execution hereof, SANTAFE HEALTHCARE, INC., 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 SANTAFE HEALTHCARE, INC., to the terms and conditions of this Consent Order.

SANTAFE HEALTHCARE, INC.

By: Lawrence G. Schreiber

Print Name: Lawrence G. Schreiber

Title: President + CEO SantaFe Healthcare

Date: December 21, 2022

STATE OF Florida

COUNTY OF Alachua

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

or online notarization, this 21st day of December 2022, by Lawrence G. Schreiber
(name of person)
as President + CEO for SantaFe Healthcare
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

Deborah I. Frening
(Signature of the Notary)

Deborah I. Frening
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: February 16, 2024



COPIES FURNISHED TO:

EVAN BONNSTETTER
Fagre, Drinker, Biddle, & Reath LLP
2200 Wells Fargo Center,
90 S. 7th St.,
Minneapolis, MN 55402
Telephone: (612) 766-7917
Email: evan.bonnstetter@faegredrinker.com

DENNIS MATHEIS, PRESIDENT
Sentara Healthcare
6015 Poplar Hall Dr., Ste 308
Norfolk, VA 23502-3819
Email: dmatheis@sentara.com

COLIN DROZDOWSKI, PRESIDENT
Sentara Holdings Florida, LLC
4417 Corporation Ln., the back
Virginia Beach, VA 23462
Email: csdrozdo@sentara.com

LAWRENCE SCHREIBER
CHIEF EXECUTIVE OFFICER AND
DIRECTOR
AvMed, Inc.
PRESIDENT AND CHIEF EXECUTIVE
OFFICER
SantaFe HealthCare, Inc.
4300 NW 89th Blvd.,
Gainesville, FL 32606
Email: Larry.Schreiber@avmed.org

CAROLYN MORGAN, DIRECTOR
Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 E. Gaines St.,
Tallahassee, FL 32399

JASON REYNOLDS,
FINANCIAL ADMINISTRATOR
Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 E. Gaines St.,
Tallahassee, FL 32399

ALEX KITSOS,
FINANCIAL CONTROL ANALYST
Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 E. Gaines St.,
Tallahassee, FL 32399

SHANNON MICHELLE SEAGRAVES, ESQ.
ASSISTANT GENERAL COUNSEL
Florida Office of Insurance Regulation
200 E. Gaines St.,
Tallahassee, FL 32399-4206
Telephone: (850) 413-4213
Email: michelle.seagraves@floir.com