

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of

Case No. INS-21-0061

ADROIT HEALTH GROUP LLC,

Respondent.

FINAL ORDER TO CEASE AND
DESIST, FINAL ORDER ASSESSING
CIVIL PENALTIES, AND SURRENDER
OF BUSINESS ENTITY INSURANCE
PRODUCER LICENSE, ENTERED BY
CONSENT

The Division of Financial Regulation (the “Division”), acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon (the “Director”), conducted an investigation of Adroit Health Group LLC (“Respondent”). The Division determined that Respondent violated provisions of Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 (“Insurance Code”) and the Oregon Administrative Rules (“OAR”) promulgated under those laws.

Respondent, without admitting or denying the allegations herein, wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signatures subscribed herein, Respondent hereby consents to entry of this order.

BACKGROUND

On February 24, 2022, the Division served Notice of Administrative Order INS-21-0061 (“Notice”) on Respondent. The Notice provided notice that the Director issued an order to cease and desist, proposed order revoking business entity license, and proposed order assessing civil penalties for violations of provisions of the Insurance Code and the OARs promulgated under those laws.

The Notice offered Respondent an opportunity for hearing if requested within 20

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1 days of service of the Notice. The Notice further informed Respondent that if a hearing
2 were not conducted because Respondent did not timely request a hearing or otherwise
3 defaulted, then the designated portion of the Division’s file and all materials submitted by
4 Respondent in this case would automatically become part of the contested case record for
5 the purpose of proving a prima facie case.

6 The Director did not receive from Respondent a request for hearing and did not
7 conduct a hearing. Accordingly, on May 31, 2022, the Division entered a Final Order To
8 Cease And Desist, Final Order Revoking Business Entity Insurance Producer License, And
9 Final Order Assessing Civil Penalties, Entered By Default against Respondent (the
10 “Default Order”).

11 On July 29, 2022, Respondent served on the Division a Petition for Reconsideration
12 of the Default Order pursuant to OAR 137-003-0675. On September 27, 2022, the Division
13 denied that Petition for Reconsideration. On November 28, 2022, Respondent filed a
14 Petition for Judicial Review with the Court of Appeals (the “Petition for Judicial Review”).

15 In order to avoid further litigation and expense, the parties have agreed that the
16 Director adopt the following findings of fact and conclusions of law.

17 FINDINGS OF FACT

18 The Director FINDS that:

19 1. Respondent first became licensed in Oregon as a nonresident business entity
20 insurance producer on October 12, 2016. Respondent’s National Association of Insurance
21 Commissioners (“NAIC”) license number is 100297502 and national producer number
22 (“NPN”) is 17986716.

23 2. On December 3, 2020, an Oregon consumer contacted the Division to file a
24 complaint regarding Respondent. The consumer stated that she had enrolled for health care
25 coverage with Respondent; that she had attempted to contact Respondent to ensure she had
26 coverage for a primary care doctor appointment; that she was informed that she had such



1 coverage; and that Respondent subsequently failed to pay for the approved primary care
2 appointment. The consumer also explained the great difficulty she had contacting and
3 getting basic information from Respondent.

4 3. On December 8, 2020, a Division Consumer Advocate sent Respondent's then-
5 compliance officer a copy of the consumer's complaint and requested a response within 21
6 days from receipt.¹ Respondent acknowledged receiving the same on December 14, 2020.

7 4. On January 12, 2021, the Division Consumer Advocate contacted Respondent
8 to again request a response to the consumer's complaint by January 14, 2021.

9 5. In a series of emails between January 14 and 15, 2021, Respondent claimed to
10 have submitted a response but that its electronic system prevented the emails from sending,
11 and subsequently sent documents purporting to demonstrate its attempt to send the
12 response. No substantive response to the consumer's complaint or the Division's request
13 was provided.

14 6. On January 19, 2021, the Division Consumer Advocate pointed out to
15 Respondent that Respondent had not submitted a substantive response and requested the
16 same by January 22, 2021.

17 7. On January 25, 2021, a Division Investigator contacted Respondent to again
18 request a response to the consumer complaint. The Investigator reminded Respondent that
19 this was the third time that she had to contact Respondent for failing to reply to this and
20 other inquiries by the Division.

21 8. On February 15, 2021, having still received no response, the Division
22 Consumer Advocate contacted Respondent again. She indicated that she had called and left
23 several messages and received no responses, and requested a response by the following
24 day.

25 _____
26 ¹ Unless otherwise indicated, all communications between Respondent and the Division were directed to and received from that former compliance officer.



1 numbered questions originally sent on March 11, 2021.

2 14. On August 30, 2021, the Division Investigator followed up with Respondent to
3 ask additional questions about its use of the business name Strata Health Group. The
4 Investigator noted, among other things, that Respondent had not notified the Division of
5 its use of this assumed business name. The Investigator also asked for a list of all insurance
6 business that Strata Health Group had sold, solicited, or negotiated in Oregon since its
7 purported inception in August 2020. The Investigator asked for responses to these
8 questions by September 30, 2021.

9 15. Respondent did not reply to the foregoing inquiry sent on August 30, 2021.

10 16. Between 2018 and 2022, in addition to the consumer complaint identified above
11 as received on December 3, 2020, the Division received approximately seven (7) additional
12 consumer complaints regarding Respondent (collectively, the “Consumer Complaints”),
13 which it was unable to thoroughly investigate due to Respondent’s failure to respond fully
14 to the Division’s inquiries.

15 17. Respondent represents that its former compliance officer failed to inform the
16 Respondent’s management of the receipt and pendency of any of the foregoing
17 communications and complaints, and misrepresented to management that there were no
18 active investigations or inquiries involving the Division or other state regulatory agencies
19 that had not been fully addressed. Regardless, Respondent acknowledges that it is
20 responsible for the conduct of its employees, whether or not its employees follow proper
21 internal policies and procedures.

22 18. Following receipt of the Default Order, Respondent became aware of the former
23 compliance officer’s failures in appropriately discharging her duties in Oregon and several
24 other jurisdictions and venues. Accordingly, Respondent represents that the former
25 compliance officer’s employment with Respondent was terminated on June 02, 2022.

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1 **CONCLUSIONS OF LAW**

2 The Director CONCLUDES that:

3 19. Under ORS 731.296, the Director may address any proper inquiries to any
4 insurer, licensee, or its officers in relation to its activities or condition or any other matter
5 connected with its transactions. Any such person so addressed shall promptly and truthfully
6 reply to such inquiries using the form of communication requested by the Director.

7 20. By failing to promptly and truthfully reply to the Director’s inquiries, including
8 those made on December 8, 2020; January 12, 2021; January 25, 2021; February 15, 2021;
9 March 11, 2021; April 15, 2021; June 8, 2021; and August 30, 2021, Respondent violated
10 ORS 731.296 in no less than eight instances.

11 21. Under ORS 744.068(1), an insurance producer shall notify the Director prior to
12 transacting business in the state of Oregon under the insurance producer license under any
13 name other than the insurance producer’s legal name and prior to changing, deleting, or
14 adding an assumed business name in connection with the insurance producer’s business
15 under the insurance producer license.

16 22. By failing to notify the Director that it had added the assumed business name
17 Strata Health Group in the state of Oregon in connection with its insurance business prior
18 to using the same, Respondent violated ORS 744.068(1).

19 23. Under ORS 744.074(1)(b), the Director may place a licensee on probation or
20 suspend, revoke, or refuse to issue or renew an insurance producer license and may take
21 other actions authorized by the Insurance Code in lieu thereof or in addition thereto, for
22 violating any insurance laws, or violating any rule, subpoena or order of the Director.

23 24. Because Respondent violated the Insurance Code, including ORS 731.296 and
24 ORS 744.068(1), the Director may revoke Respondent’s insurance producer license under
25 ORS 744.074(1)(b).

26 25. Under ORS 731.252(1), whenever the Director has reason to believe that any

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1 person has been engaged or is engaging or is about to engage in any violation of the
2 Insurance Code, the Director may issue an order, directed to such person, to discontinue or
3 desist from such violation or threatened violation.

4 26. Because the Director has reason to believe that Respondent has violated ORS
5 731.296 and ORS 744.068(1), the Director may issue an order directed to Respondent to
6 discontinue or desist from that violation under ORS 731.252(1).

7 27. Under ORS 731.988(1), a person that violates any provision of the Insurance
8 Code shall forfeit and pay to the General Fund of the State Treasury a civil penalty in an
9 amount determined by the director that does not exceed \$10,000 for each offense. The civil
10 penalty for individual insurance producers, adjusters or insurance consultants may not
11 exceed \$1,000 for each offense. Each violation is a separate offense.

12 28. Because Respondent violated the Insurance Code, including ORS 731.296 and
13 ORS 744.068(1), Respondent is subject to civil penalties under ORS 731.988(1).

14 **ORDERS**

15 The Director issues the following ORDERS:

16 Order to Cease and Desist

17 29. Pursuant to the authority of ORS 731.252(1), the Director hereby orders
18 Respondent to CEASE AND DESIST from violating ORS 731.296 and ORS 744.068(1).

19 Order Assessing Civil Penalties

20 30. Pursuant to ORS 731.988(1), the Director hereby ORDERS the assessment of
21 CIVIL PENALTIES against Respondent in the amount of \$20,000 for violating ORS
22 731.296 and ORS 744.068(1).

23 Voluntary Surrender of License

24 31. Respondent voluntarily surrenders its Oregon nonresident insurance producer
25 license (NAIC license number 100297502). Respondent shall submit simultaneously with
26 this executed Consent Order a completed and executed Voluntary Surrender of Oregon

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1 License or Lines of Authority form (Division Form 440-5054).

2 32. Respondent's voluntary surrender of its license is not intended to be and shall
3 not constitute a revocation, suspension, or conditioning of its license under the Insurance
4 Code.

5 33. Respondent shall not reapply for a license in Oregon unless and until:

6 A. Respondent has demonstrated that it has not been subject to a final order in
7 any jurisdiction resulting in the revocation, suspension, or conditioning of its license
8 or any other similar order impacting its licensure status in any jurisdiction for period
9 of three years commencing on the date the Division signs this Consent Order;

10 B. Respondent has fully complied to the satisfaction of the Division with the
11 Division's inquiry into the outstanding Consumer Complaints, including providing a
12 written response to the Division about each such complaint, responding fully and
13 promptly to the Division's questions and document requests pertaining to each such
14 complaint, and taking reasonable steps appropriate and necessary to resolve each such
15 complaint;

16 C. Respondent has submitted a corrective action plan to the Division outlining
17 changes to any policies and procedures it has implemented in order to minimize the
18 chances of issues arising in the future similar to those that gave rise to this action,
19 including such policies and procedures regarding receiving, reviewing, and timely
20 responding to consumers and regulators, and ensuring that all legally required filings
21 are timely made;

22 D. Respondent has paid the civil penalties required under this Consent Order;
23 and

24 E. Respondent has otherwise complied with all terms of this Consent Order
25 and the Insurance Code.

26 34. Prior to or simultaneous with the execution of this Consent Order, Respondent

1 shall withdraw the Petition for Judicial Review and the Division shall vacate the Default
2 Order and enter this Consent Order as the final order in this matter. Respondent shall
3 submit prior to or simultaneous with this executed Consent Order proof that it has
4 withdrawn its Petition for Judicial Review.

5 **FINAL ORDER**

6 35. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
7 provision, the entry of this Order does not limit other remedies that are available to the
8 Director under Oregon law.

9 IT IS SO ORDERED.

10 Dated this 10th day of February, 2023.

11 ANDREW R. STOLFI, Director
12 Department of Consumer and Business Services

13
14 /s/Dorothy Bean
15 Dorothy Bean, Chief of Enforcement
16 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Jeffrey D Jeter, state that I hold the title of General Counsel and I am an authorized representative of Respondent Adroit Health Group LLC (“Adroit”) with the authority to sign this Consent Order on behalf of Adroit. I have read the Consent Order and I fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter, and I have been represented by counsel. Adroit voluntarily consents to the entry of this Consent Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this order. Adroit understands that this is a “Final Order” under ORS 183.310(6)(b). Adroit understands that the Director reserves the right to take further action to enforce this Order or to take appropriate action upon discovery that Adroit has committed other violations of the Insurance Code. Adroit will fully comply with the terms and conditions stated herein.

Adroit understands that this Order is a public document.

Signature: /s/ Jeffrey D Jeter
Title: General Counsel

State of Louisiana
County of East Baton Rouge

Signed or attested before me on this 6th day of February, 2023 by
Jeffrey D Jeter.

/s/ Leanna McGee
Notary Public

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