

**STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER**

*In the Matter of*

**ALIERA HEALTHCARE INC.,**

Unauthorized Entity.

Respondent.

Order No. 19-0251

**ORDER TO CEASE AND DESIST**

Pursuant to RCW 48.02.080 RCW 48.15.023, RCW 48.17.063, RCW 48.30.010, RCW 48.44.016, and RCW 48.155.130(1) the Insurance Commissioner of the state of Washington (“Insurance Commissioner”) orders the above-named Respondent, and its officers, directors, trustees, employees, agents, and affiliates to immediately cease and desist from:

- A. Engaging in or transacting the unauthorized business of insurance or acting as an unregistered health care service contractor or as an unlicensed discount plan organization in the state of Washington;
- B. Seeking, pursuing and obtaining any insurance or discount plan business in the state of Washington;
- C. Soliciting Washington residents to purchase any insurance or discount plan to be issued by an unauthorized insurer or unlicensed discount plan organization;
- D. Soliciting Washington residents to induce them to purchase any insurance contract or discount plan.

**BASIS:**

1. Alieria Healthcare Inc. (“Alieria”) is a nonresident corporation domiciled in Delaware and incorporated on December 18, 2015. Alieria does not hold a certificate of authority and is not licensed to sell, solicit, or negotiate insurance in the state of Washington. Alieria is also

not registered as a health care service contractor or licensed as a discount plan organization in the state of Washington.

2. Trinity HealthShare, Inc. (“Trinity”) is a nonresident corporation domiciled in Delaware. Trinity represents itself as a health care sharing ministry (“HCSM”) as defined by 26 USC §5000A and incorporated by reference under RCW 48.43.009. Trinity does not hold a certificate of authority in Washington. Trinity HealthShare, Inc. is the subject of a separate but related Cease and Desist Order. See Order No. 19-0152.

3. To qualify as a health care sharing ministry under the Internal Revenue Service (IRS) and Washington law, a HCSM must be a 501(c)(3) organization whose members share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs. A HCSM must also have been in operation and continuously sharing member health care costs since at least December 31, 1999.

4. Alieria is the administrator, marketer, and program manager for Trinity and is solely responsible for the development of HCSM plan designs, pricing, marketing materials, vendor management, and recruitment and maintenance of a national sales force on behalf of Trinity.

5. By the terms of their Management and Administration Agreement (“the Agreement”), Alieria has the right, at its sole discretion, to develop and market “the schedule of medical services eligible for sharing under the HCSM” with other purportedly “non-insurance” health care products developed and managed by Alieria. Such products include telemedicine, discount prescription drugs, and concierge services to locate in-network providers. In order to purchase any of Alieria’s HCSM-inclusive plans, individuals must acknowledge Trinity’s statement of faith and lifestyle requirements, as deemed necessary by Trinity and agreed upon by Alieria.

6. Following receipt of a complaint, the Insurance Commissioner investigated to determine whether Alieria is accurately representing its products to Washington consumers as a HCSM in compliance with state and federal law. The complaint alleged that Alieria is soliciting and recruiting agents to sell misleading products to Washington consumers by using marketing materials that may lead the average consumer to believe they are purchasing healthcare insurance rather than a HCSM membership.

7. The investigation determined that Alieria 1) failed to represent Trinity’s actual statement of faith, as defined by Trinity’s own bylaws, 2) provided misleading training to

prospective agents about the nature of its HCSM products, 3) provided misleading advertisements to the public and prospective HCSM customers about the nature of its HCSM products, 4) held itself out as health care service contractor without being registered, and 5) is doing business as an unlicensed discount plan organization.

8. Trinity has communicated to state and federal regulatory authorities that it holds to a Protestant expression of the Christian faith. Trinity's own bylaws obligate its members to affirm this expression of faith. However, as marketed by Alieria, Trinity offers an alternative solution to health insurance and offers membership to individuals of "all faiths." In training materials to prospective agents, Alieria describes Trinity's statement of faith as simply a belief in a higher power, whether a Christian, Buddhist, or Jewish God. This statement of faith, as presented to the public, is materially different from and inconsistent with the statement of faith that Trinity has represented to regulatory authorities. Alieria also has the contractual right to "agree upon" Trinity's required statement of beliefs.

9. Alieria's web-based advertisement to recruit prospective agents to sell its HCSM products touts the opportunity to sell "the next generation Healthcare products" and suggests Alieria can offer employers "a healthcare plan that saves money." The advertisement does not include any reference to a required affirmation of a common set of ethical or religious beliefs. Likewise, Alieria's prospective agent training portal provides required training videos that explain Alieria's HCSM plan offerings with no reference to consumers' required affirmation of a common set of ethical or religious beliefs.

10. A video seminar for prospective agents refers to Alieria's "individual alternative market" as the company's "bread and butter." The narrator/trainer states that Alieria's comprehensive HCSM plans not only "mirrors traditional insurance, but truly provide comprehensive healthcare for an individual." The narrator/trainer also describes one of Alieria's HCSM plans (InterimCare) as "our short-term medical plan." Alieria's repeated use of insurance terminology in its agent training and marketing materials has the capacity to deceive both prospective agents and prospective consumers into believing they are purchasing a non-traditional *insurance* plan.

11. In another video seminar for prospective Alieria agents, a trainer represents Trinity's statement of faith in the following manner:

*Just to give you a general overall synopsis of what it's saying ... It basically is saying that you believe in a higher power. It doesn't necessarily have to be a Christian God, or a Buddhist God, or a Jewish God. It doesn't ... it doesn't matter as long as we all believe that there is a higher power and we're all living our life that the best way that we possibly can. We're maintaining a healthy lifestyle. We're trying to avoid those types of foods, behaviors, habits - things that, you know, cause us illness that are in our control. As long as we're doing those types of things, we're all like-minded individuals. So if you feel that way, and you are a like-minded individual, that's all we're trying to find out. And, if you are, you're gonna say, "Yes," you believe in the five same statement of beliefs that we all do.*

12. Alera solicits and sells plans to Washington consumers that are built on an extensive network of preferred providers and include other healthcare "essentials" that may mislead consumers into thinking they are purchasing healthcare insurance. Alera's HCSM plans include telemedicine, prescription drug discounts, and access to in-network labs and diagnostics.

13. RCW 48.30.040 states no person shall knowingly make, publish, or disseminate any false, deceptive or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance or relative to any person engaged therein.

14. RCW 48.15.020(2)(a) provides that a person may not, in this state, represent an unauthorized insurer except as provided in this chapter.

15. RCW 48.17.060(1) provides that a person shall not sell, solicit, or negotiate insurance in this state for any line or lines of insurance unless the person is licensed for that line of authority in accordance with this chapter.

16. RCW 48.02.080(3) states if the Insurance Commissioner has cause to believe that any person is violating or is about to violate any provision of this code or any regulation or order of the Insurance Commissioner, he or she may: (a) issue a cease and desist order.

17. WAC 284-50-050(1) states the format and content of an advertisement to which these rules apply shall be sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive. Whether an advertisement has a capacity or tendency to mislead or deceive shall be determined by the insurance commissioner from the overall impression that the advertisement may be reasonably expected to create upon a person of average education or intelligence, within the segment of the public to which it is directed.

18. WAC 284-50-050(2) states advertisements shall be truthful and not misleading in fact or in implication. Words or phrases, the meaning of which is clear only by implication or by familiarity with insurance terminology, shall not be used.

19. WAC 284-50-060(1) states no advertisement shall omit information or use words, phrases, statements, references, or illustrations if the omission of such information or use of such words, phrases, statements, references, or illustrations has the capacity, tendency, or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of any policy benefit payable, loss covered, or premium payable. The fact that the policy offered is made available to a prospective insured for inspection prior to consummation of the sale or an offer is made to refund the premium if the purchaser is not satisfied, does not remedy misleading statements.

20. RCW 48.44.015(1) provides that a person may not in this state, by mail or otherwise, act as or hold himself or herself out to be a health care service contractor, as defined in RCW 48.44.010 without first being registered with the commissioner.

21. RCW 48.155.020(1) provides that, before conducting discount plan business to which this chapter applies, a person must obtain a license from the commissioner to operate as a discount plan organization.

22. The Respondent's actions described herein violate Insurance Code provisions that include RCW 48.15.020 (representation of an unauthorized insurer prohibited), RCW 48.17.060 (license required), RCW 48.30.040 (false information and advertising), RCW 48.44.015(1) (registration by health care service contractors required), and RCW 48.155.020(1) (discount plan organization license required).

**IT IS FURTHER ORDERED** that nothing herein shall prevent the Respondent from fulfilling the terms of contracts formed prior to the effective date of this Order pursuant to RCW 48.15.020(2)(b).

Any violation of the terms of this Order by the Respondent and its officers, directors, trustees, employees, agents, and affiliates or the Respondent's failure to fulfill or perform its contracts subject to this Order will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, 48.15.023, and other applicable sections of the Insurance Code of the state of Washington.

The Respondent has the right to demand a hearing in accordance with RCW 48.04.010, WAC 284-02-070, and WAC 10-08-110.

This Order shall remain in effect subject to the further order of the Insurance Commissioner.

**THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED** at Tumwater, Washington, this 13<sup>th</sup> day of MAY, 2019.



MIKE KREIDLER  
Insurance Commissioner

By and through his designee



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KIMBERLY TOCCO  
Insurance Enforcement Specialist  
Legal Affairs Division

**CERTIFICATE OF MAILING**

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing Order to Cease and Desist on the following individual(s) in the manner listed below:

*By depositing in the U.S. mail via state Consolidated Mail Service with proper postage affixed to:*

Aliera Healthcare Inc.  
The Corporation Trust Company  
Corporation Trust Center  
1209 Orange St  
Wilmington, DE 19801

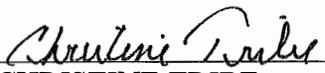
*By email and by depositing in the U.S. mail via state Consolidated Mail Service with proper postage affixed to:*

Dwight Francis  
Sheppard, Mullin, Richter & Hampton LLP  
2200 Ross Ave, Ste. 2400  
Dallas, TX 75201  
dfrancis@sheppardmullin.com

Aliera Healthcare Inc.  
5901 Peachtree Dunwoody Rd Ste B-200  
Atlanta, GA 30328  
tmoses@aliera.com

Reba Leonard  
Vice President, Compliance and Regulatory Affairs  
15301 Dallas Parkway, Suite 920  
Addison, TX 75001  
rleonard@alierahealthcare.com

Dated this 13<sup>th</sup> day of May, 2019, in Tumwater, Washington.

  
CHRISTINE TRIBE  
Paralegal  
Legal Affairs Division