



**Final Investigative Report
Cover Page Synopsis**

OIC Case #: 1589861

Final Report Date: 04/08/2019

Related Cases: None

Date Complaint Received: 09/11/2018

Name of Person or Entity under Investigation: (1) Alera Healthcare, 5901 Peachtree Dunwoody Rd., Ste. 200, Atlanta, GA 30328. (2) Trinity Healthshare, 5901 Peachtree Dunwoody Rd., Ste 160, Atlanta, GA 30328

WAOIC License Number and Status: None

Representative for Person or Entity under Investigation: (1a) Alera: Reba Leonard, Vice President Compliance and Regulatory Affairs (rleonard@alierahealthcare.com / 404-618-0602), 15301 Dallas Parkway, Ste 920, Addison, TX 75001; (1b) Alera: Dwight Francis (Sheppard, Mullin, Richter & Hampton LLP), 2200 Ross Ave, Ste. 2400, Dallas, TX 75201; 430-391-7400, dfrancis@sheppardmullin.com; (2) Trinity: J. Joseph Guilkey (BakerHostetler), 200 Civic Center Drive, Ste. 1200, Columbus, OH 43215; 614-462-2697, jguilkey@bakerlaw.com

Complainant: Zack Snyder, Director of Government Affairs at Cambia Health Solutions; 1800 9th Ave, Seattle, WA 98101 (zach.snyder@cambiahealth.com, 206-332-5060).

Name of Insured (if different from complainant): N/A

Relationship to Insured: N/A

Allegation(s): (1) Trinity Healthshare does not meet the statutory definition of a HCSM under RCW 48.43.009 and Federal statute. If proven true, Trinity may be acting as an unauthorized insurer, in violation of RCW 48.05.030. (2) Alera Healthcare's various advertisements on behalf of Trinity are deceptive and have the capacity and tendency to mislead or deceive consumers to believe they are purchasing insurance rather than a HCSM membership. If proven true, these could be violations of RCW 48.30.040, WAC 284-50-050 and 284-50-060.

Investigative Findings: Substantiated

Potential RCW's or WAC's Violated: RCW 48.05.030, RCW 48.30.040, WAC 284-50-050 and WAC 284-50-060



Final Investigative Report Executive Summary

This investigation determined the following:

1. The allegation that Trinity Healthshare (“Trinity”) does not meet the statutory definition of a HCSM under RCW and Federal statute is substantiated. Trinity is therefore acting as an unauthorized insurer, in violation of RCW 48.05.030.
2. The allegation that Alera Healthcare’s (“Alera”) various advertisements on behalf of Trinity are deceptive and have the capacity and tendency to mislead or deceive consumers to believe they are purchasing insurance rather than a HCSM membership, in violation of RCW 48.30.040, WAC 284-50-050 and 284-50-060, is substantiated.

RIU opened the investigation based on a complaint from an insurer, which forwarded an Alera Healthcare (“Alera”) solicitation it obtained which sought to recruit agents to sell “healthcare” products. From previous RIU investigations, OIC is aware Alera has acted as a marketer for health care sharing ministries (“HCSM”). A HCSM is an organization that is exempt from insurance regulation in Washington State (see RCW 48.43.009, which defers to [26 USC §5000A\(d\)\(2\)\(B\)\(ii\)](#)) and exists to facilitate medical cost sharing between members in accordance with a specific set of religious and/or ethical beliefs.

During the course of the investigation the RIU gathered information regarding Alera, Trinity and three other legal entities with a nexus to the Trinity-Alera relationship. Based on this information, the RIU concluded:

1. The evidence indicates Trinity does not meet the definition of a HCSM because (1) its representations about the nature of its religious convictions to consumers, State

and Federal regulators are contradictory and in conflict with its own bylaws, (2) it has not been operating as a 501(c)(3) legal entity and sharing member medical needs continuously since December 31, 1999, and (3) evidence indicates Trinity was formed in 2018 for the express purpose of entering into a marketing agreement with Alera.

Because the evidence indicates Trinity is not a HCSM, as defined by RCW and Federal statute, the laws concerning advertising for disability insurance likely apply to Trinity's HCSM products. Regardless of this finding, because these HCSM products mirror disability policies in their *function* (not the legal structure of the entity offering them), it is prudent to use disability advertising statutes to determine whether Trinity and Alera are providing misleading or deceptive advertisements regarding HCSM products. Therefore, RIU determined the following:

2. The evidence indicates Alera (1) failed to represent Trinity's actual Statement of Faith, as defined by Trinity's bylaws, (2) provided misleading training to prospective agents about the nature of the HCSM products, and (3) provided misleading advertisements to the general public and potential consumers that have the capacity or tendency to mislead or deceive consumers, based on the overall impression that these advertisements may be reasonably expected to create upon a person of average education.



Final Investigative Report Investigative Findings

1. ALLEGATION

The Regulatory Investigations Unit (“RIU”), Office of the Insurance Commissioner (“OIC”) opened this investigation after receiving a communication from Cambia Health Solutions (“Cambia”) which expressed concerns that Alera Healthcare (“Alera”) may be misrepresenting its products as insurance (Exhibit 1). Cambia provided a copy of a communication Alera sent to prospective brokers, which read (in part):

This is an excellent opportunity for Alera Healthcare to develop long-term, mutually-beneficial relationships with new brokers and agencies in the state of Washington and to build a strong Alera presence in both the Group and Individual markets ... Alera makes affordable quality healthcare accessible to those who are priced out of the current markets. Whether you’re a business looking for affordable ACA-compliant plans, or an individual looking for ACA alternatives, Alera Healthcare puts the power of choice back in your hands.

From previous RIU investigations, OIC is aware Alera has acted as a marketer for health care sharing ministries (“HCSM”). A HCSM is an organization that is exempt from insurance regulation in Washington State (see RCW 48.43.009) and exists to facilitate medical cost sharing between members in accordance with a specific set of religious and/or ethical beliefs. The Washington State insurance code defers to the Federal statute to define a HCSM [see RCW 48.43.009; cf. [26 USC §5000A\(d\)\(2\)\(B\)\(ii\)](#)]. The Federal statute lists five criteria:

- *the term “health care sharing ministry” means an organization—*
 - o *(1) which is described in section 501(c)(3) and is exempt from taxation under section 501(a),*

- *(II) members of which share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs and without regard to the State in which a member resides or is employed,*
- *(III) members of which retain membership even after they develop a medical condition,*
- *(IV) which (or a predecessor of which) has been in existence at all times since December 31, 1999, and medical expenses of its members have been shared continuously and without interruption since at least December 31, 1999, and*
- *(V) which conducts an annual audit which is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and which is made available to the public upon request.*

The OIC opened an investigation into both (1) Trinity Healthshare (“Trinity”), the HCSM behind many of Alier’s products, and (2) Alier, Trinity’s marketer. This investigation had two objectives:

- Does Trinity meets the statutory definition of a HCSM under WA law (RCW 48.43.009)? If it does not, it may be operating as an unauthorized insurer in violation of RCW 48.05.030.
- Do Alier’s various advertisements on behalf of Trinity mislead consumers to believe they are purchasing insurance, rather than a HCSM membership? If proven to be true, this could be a violation of RCW 48.30.040 and WAC 284-50-050 and 284-50-060.

The case was assigned to Investigator (“INV”) Tyler Robbins.

2. **LICENSING REVIEW**

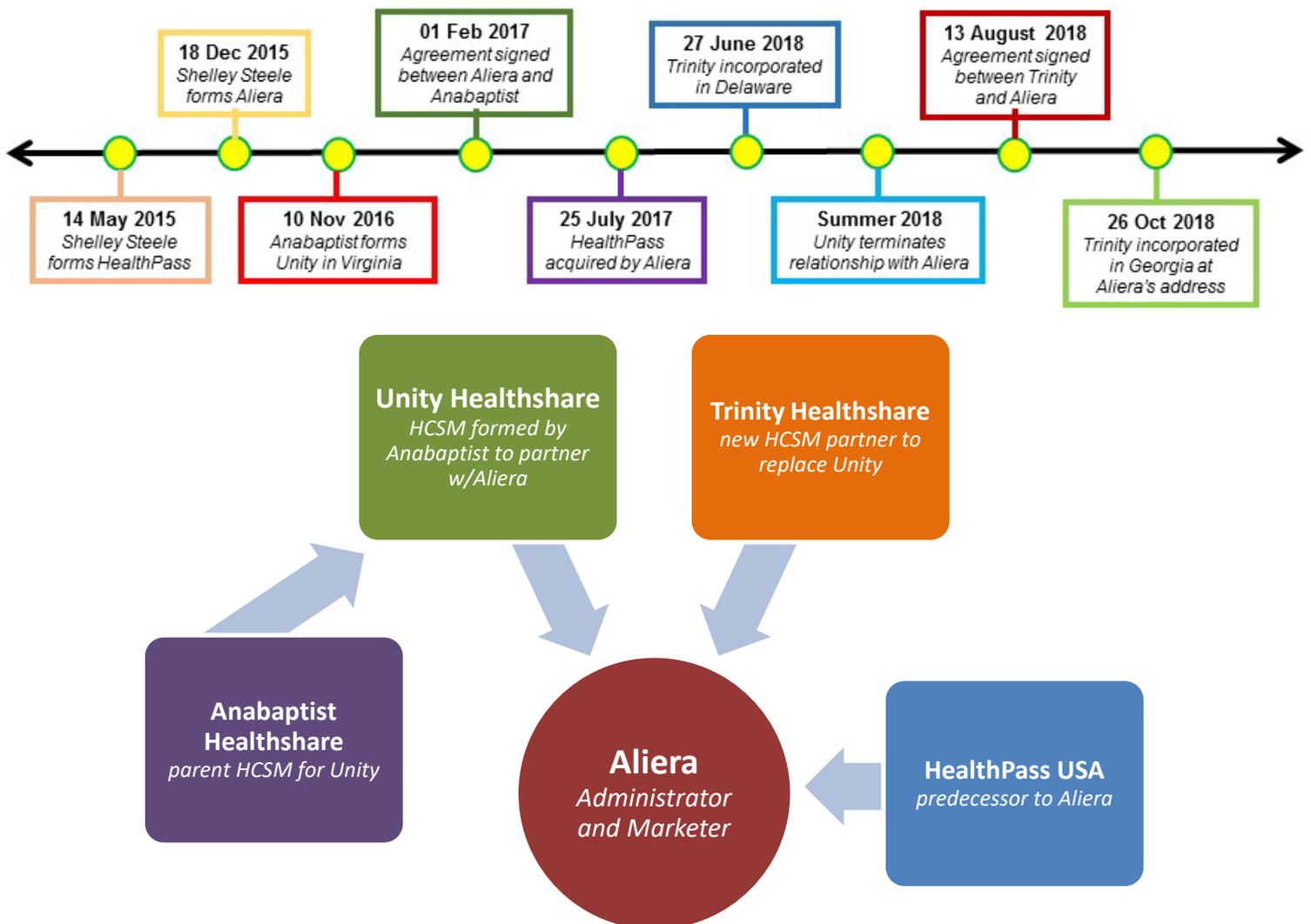
INV Robbins conducted a licensing check on Alier through the National Association of Insurance Commissioners (“NAIC”), which disclosed Alier has active producer’s licenses in 36 states. It does not have a license in Washington (Exhibit 2). Trinity is not licensed with the NAIC or the OIC, because it purports to be a HCSM exempt from insurance regulation.

3. NOTIFICATION OF INVESTIGATION

On 10/01/2018, INV Robbins sent formal notices of investigation to both Alera and Trinity, requesting a response to the allegations (Exhibit 3a). Throughout the course of the investigation, INV Robbins sent a follow-up notices to both Trinity (Exhibits 3b – 3c) and Alera (Exhibit 3d), requesting further information.

4. INVESTIGATION OF AND RESPONSE FROM PARTIES

During the course of this investigation, RIU gathered information regarding five entities; Alera, Trinity, Anabaptist Healthshare, Unity Healthshare and HealthPass USA. The relationship between these entities and a relevant timeline is below:



a. ALIERA HEALTHCARE

i. Background

The entity known as Alieria appears to have begun as a domestic stock corporation in the State of Delaware on 09/29/11 as an entity called, “OnSite Health Management, Inc.” (Exhibit 7b). Approximately 14 months later, it filed an amendment and changed its name to Alieria Healthcare, Inc. (Exhibit 7b, pg. 4). This Alieria entity (“Alieria #2”) appears to remain an active business entity in Delaware (Exhibit 7c), and has never registered in Georgia.

The Alieria entity that is the focus of this investigation (“Alieria”) was incorporated in the State of Delaware on 12/18/15 (Exhibits 4a and 4b) by Shelley Steele (Exhibit 4b, pg. 7). Its scope of business was “to engage in the business of providing all models of Health Care to the general public” and “to cultivate, generate or otherwise engage in the development of ideas or other businesses. To buy, own or acquire other businesses, to market and in any way improve the commercial application to the betterment and pecuniary gain of the corporation and its stockholders ...” (Exhibit 4b, pg. 8). In 2017, the most recent year Delaware has on file, a man named Chase Moses appears on record as a director of the corporation (Exhibit 4b, pg. 9).

Alieria registered as a foreign corporation in the State of Georgia approximately four months later, on 04/28/16, with Shelley Steele as the CFO and CEO (Exhibit 4c). The business remains active in Georgia, where it maintains its offices (Exhibits 4d – 4e). In addition, an entity named “Alieria Healthcare of Georgia” registered as a domestic LLC in that state on 03/13/17 (Exhibit 4f) and remains active (Exhibit 4g). Shelley Steele was also the CEO of this entity.

On 07/25/17, a domestic Georgia entity named HealthPassUSA, LLC (“HealthPass”) merged with Alieria, which remained the surviving corporation (Exhibit 4h). HealthPass was organized as a domestic LLC on 05/14/15 by Shelley Steele (Exhibit 6a), the same individual who founded both Alieria entities (above). HealthPass also occupied the very

same address as Alieria later did throughout 2016 and 2017, until its merger (Exhibits 6b – 6c; compare to address in Exhibit 4b).¹

ii. **Agent Training**

The Federal exemption for HCSMs is religious in nature. Indeed, the exemption is under a heading marked “religious exemptions.”² However, Alieria’s promotional material for consumers and its training material for new and prospective brokers fails to emphasize this point. The majority of the material never mentions the religious motivations that the Federal HCSM statute envisions prospective consumers would have. This potentially misleads both consumers *and* the prospective brokers who will market, solicit and sell the products to the religiously-motivated individuals whom the Federal statute envisions to be the HCSM’s intended market.

1. Advertisements for prospective agents:

Alieria’s advertisements for recruiting prospective agents to sell the HCSM products offer them the opportunity to sell “the next generation of Healthcare products” and suggests they can offer employers “a healthcare plan that saves money,” (Exhibit 4i). The terms “healthcare” and “health plan” are insurance-specific terminology, defined by statute (see RCW 48.43.005 [26]). Moreover, the advertisement does not mention a religious or ethical component for the consumers.

Alieria’s agent training portal³ requires prospective agents to watch a series of three training videos, then take an assessment (Exhibit 4j). INV Robbins obtained both mp3 and mp4 copies of each video from the portal:

1. The address is 5901 Peachtree Dunwoody Road, Building B, Suite 200, Atlanta, GA, 30328.
2. See 26 USC 5000A(d)(2).
3. At the time of this report, the prospective agent portal was located at <https://www.alierahealthcare.com/training-center/brokers-agents/> and accessed using the password “aliera2017.”

2. Video #1:

The first video, entitled “Training Modules Alieria,” is linked on the training site and hosted in an unlisted status on YouTube.⁴ It consists of a narrator explaining four different plans; AlieriaCare, PrimaCare, InterimCare and CarePlus, accompanied by informational charts. However, as Alieria disclosed (see response Exhibit 5a, below), each of these plans are Trinity HCSM products. However, this training video never mentions a religious motivation or caveat to agents-in-training (Exhibits 4k and 4l).

3. Video #2

The second video, entitled “Alieria Healthcare – Your ACA Solution,”⁵ is just over four minutes long and is an advertisement oriented to consumers, even though it is an agent training tool. The narrator asks, “what if there was a way to get healthcare coverage that was affordable, and provides actual health care that you can use, without the added cost of co-pays, deductibles, and the high cost of insurance?” The narrator said “you bet there is!” and proclaimed, “Welcome to HealthPassUSA, from Alieria Healthcare!” It explains it’s a “nationwide healthcare membership that provides you the minimum essential coverage required by the affordable care act,” (Exhibits 4m and 4n, 00:10 – 00:45).

There is no mention of a religious component or motivation associated with the product. Indeed, the video specifically refers to the product as “HealthPassUSA,” which is the non-HCSM entity Alieria acquired in 2017 (see Exhibit 4h). The narrator frames the product as a lower-cost alternative. He provides a hypothetical consumer named “Joe,” who “can’t afford traditional health insurance, but he needs healthcare for himself and his family,” (Exhibit 4m, 1:40 – 1:50). The term “healthcare” is insurance language defined by statute.

4. The video is hosted at <https://www.youtube.com/watch?v=ecEmZffiR-M/>. If a video is “unlisted,” it means it cannot be found unless the viewer has the link. This process is often used by video creators who want a video to remain confidential, disclosed only to certain viewers.

5. This video is also available at the Alieria training portal (see footnote #3, above), and on YouTube at <https://www.youtube.com/watch?v=BaL1SH5jQ30>.

4. Video #3:

The third video, entitled “Alieria Healthcare – How to Use Your Membership,”⁶ is geared to consumers, not agents, even though it is an agent training tool. The narrator explains what “your myHealthPass membership” will cover, and explains how to decipher “your myHealthPass membership card.” Again, this refers to a non-HCSM company Alieria acquired in 2017 (see Exhibit 4h). The narrator explains the card provides access to “healthcare services,” and assures the viewer Alieria is his first stop for “your healthcare needs,” (Exhibits 4o and 4p). Again, this is insurance language defined by statute.

5. Video #4:

The fourth video, entitled “How to Activate Your Membership,” explains to a consumer how to activate his HealthPass membership.⁷ Once again, this video is training for prospective agents on how to market, solicit and sell an HCSM product, yet Alieria brands the product after a non-HCSM company it acquired in 2017 (Exhibits 4q and 4r).

6. Assessment:

The Alieria agent training assessment, which all prospective brokers must successfully pass, asks a series of detailed questions about various Trinity HCSM products – none of which mention a religious motivation (Exhibit 4s). There is text at the end of the assessment, just above the “submit assessment” button, which expresses Trinity’s five faith statements. The producer must attest he will be held responsible for communicating to consumers that the Trinity products are not insurance. However, the assessment *does not* require the producer to explain or advise the consumer of the alleged religious motivations behind the HCSM product.

6. This video is available at Alieria’s prospective agent training portal (see footnote #3, above) or on Vimeo at <https://vimeo.com/177624500>.

7. This video is also available at the Alieria training portal, or on Vimeo at <https://vimeo.com/177625744>.

7. Prospective Agent Training Video:

On 10/25/18, an unidentified Alera trainer conducted a video seminar for prospective agents. The trainer apparently conducted this seminar for a marketer named America's Health Care Plan ("AHCP"),⁸ which then posted the video to YouTube on 10/29/18 with the title "Alera Healthcare Product Overview."⁹ INV Robbins obtained mp3 and mp4 copies of this video (Exhibits 4t and 4u).

The trainer explained Alera fills a need, because the market "doesn't really have anything that's affordable, and truly comprehensive. Our plans are very similar to what was in effect before the ACA came around. And so, all we did is take that wheel, make it a little bit better, and we put that back out in the market," (Exhibits 4t and 4u, 1:32 – 1:48).

The narrator discussed various group coverage options, then transitioned to the "individual alternative market," which he described as "our bread and butter" which accounted for over 70% of Alera's sales. Each of the branded plans in this category (below) are actually HCSM plans which Alera markets on behalf of Trinity.¹⁰



8. See AHCP's website at <http://www.ahcpsales.com/about-us/>.

9. See the video at <https://youtu.be/Oj15Ff1I2Ck>.

10. See the signed agreement between Trinity and Alera (Exhibit 5g, pgs. 3-18) and Alera's response to the OIC (Exhibit 5a), discussed below.

The narrator said Alera’s “comprehensive plans” (which are HCSM products marketed by Alera) “not only mirrors traditional insurance, but truly provide comprehensive healthcare for an individual,” (Exhibits 4t and 4u, 8:20 – 8:33). The trainer referred to “InterimCare” as “our short-term medical plan,” (Exhibits 4t and 4u, 10:50 – 11:05). The following graphic from the video (see Exhibit 4t, 08:36) captures the ambiguity in Alera’s representations:

Colloquial insurance term

Colloquial insurance term

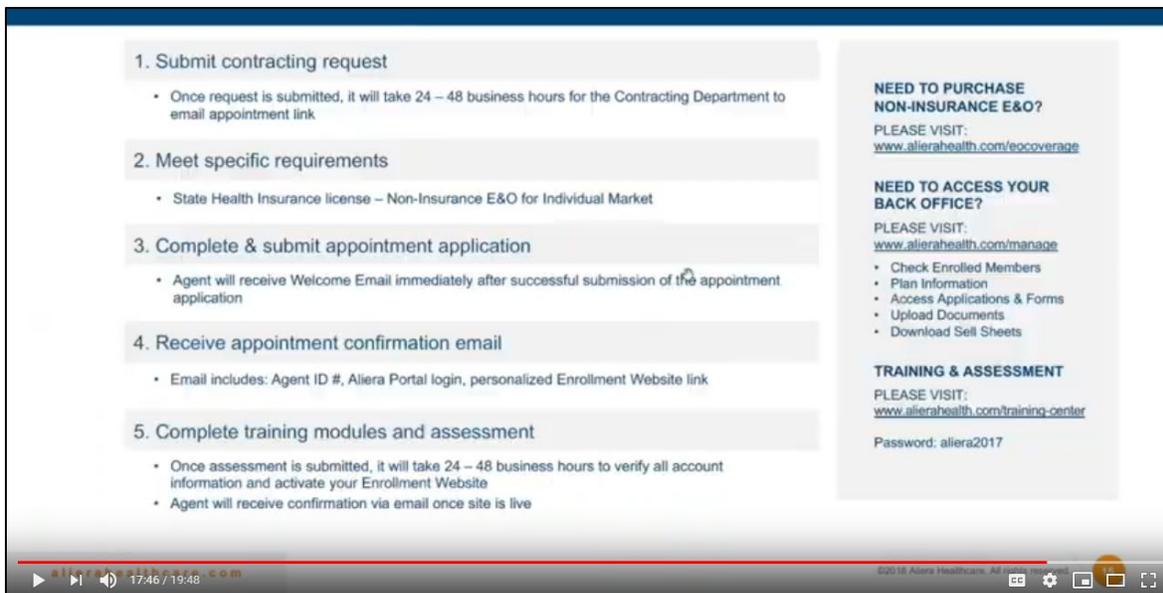
Insurance term, defined by statute

Comparable with Traditional Insurance Plans

Implies the HCSM is a non-traditional insurance plan

The term “healthcare” is insurance language defined by statute, and the terms “comprehensive coverage,” “short-term medical” and “individual market” are colloquial insurance terms widely used in the disability market and discussed in that context during Washington producer licensing training.

The graphic below, from the AHCP video, confirms this investigative report has now summarized the entire training pipeline for prospective Alera agents who market, solicit and sell Trinity’s HCSM plans to consumers. At no time during the entire training process for prospective agents is a religious motivation, ethic or caveat emphasized:



8. “Back Office” Enrollment Training for Agents

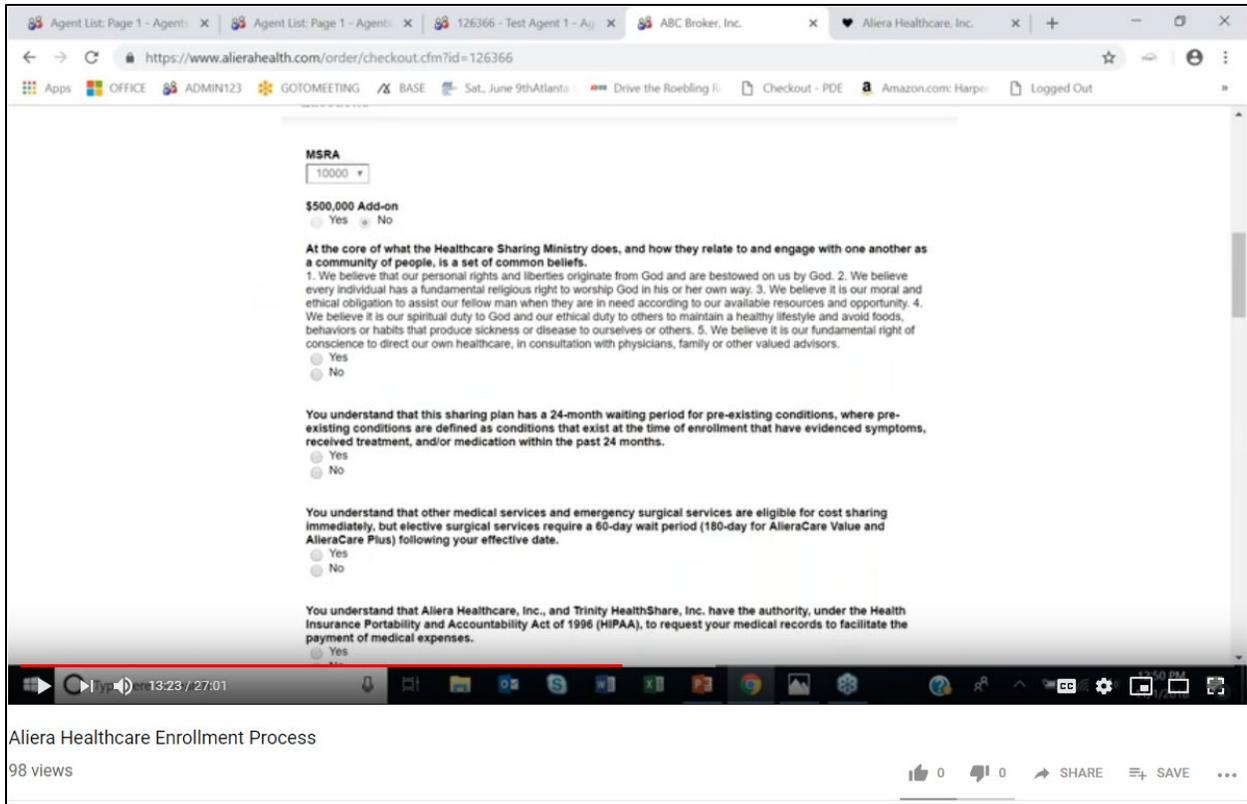
On 11/01/18, an unidentified Alera trainer conducted a seminar for new or prospective agents about the “back office” functions of Alera’s agent portal. AHCP posted this video on YouTube the same day, with the title “Alera Healthcare Enrollment Process.”¹¹ INV Robbins obtained both mp3 and mp4 copies of this video (Exhibits 4v – 4w).

The trainer walks the viewer through how to enroll a new customer for an Alera product, and eventually comes to a series of questions the agent must ask before completing the application. The trainer explains (Exhibits 4v and 4w, 11:45 – 12:05).

Then, of course, there's going to be questions. Now, it's guaranteed issue, so these questions are not knockout questions. They're not going to at all make it where you're not possible to, you know, become a member of the plan. So, there's no worries about that. Make sure to let the members know that.

The consumer must respond positively to each question, and the first includes Trinity’s statement of faith:

11. The video is available at <https://youtu.be/PiwoaXt8Z78>.



The trainer explains to the viewer what this means (Exhibits 4v and 4w, 12:25 – 13:25):

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.

This is at odds with the Statement of Faith Trinity requires members to abide by, according to its own bylaws (see discussion, below).

iii. **Marketing**

1. Consumer Video

On 09/19/18, Alera published a short promotional video on YouTube entitled, “Alera Healthcare – A New Era in Healthcare Choices.”¹² The video encourages the viewer to consider Alera as a substitute for traditional medical insurance. The narrator explains Alera is “redefining the healthcare experience” by “putting the power of choice back in your hands.” The narrator never mentions a religious motivation, prerequisite or caveat in the advertisement. The video description reads, “Alera is committed to redefining the healthcare experience for individuals, families, and employers, with innovative services and solutions that simplify the complexities of healthcare and unlock the freedom and power of choice.” INV Robbins obtained both mp3 and mp4 copies of the video (Exhibits 4x and 4y).

2. “The Balancing Act”

On 10/01/18, Alera published a video of an appearance its Executive Vice President, Chase Moses (“Moses”), made on a Lifetime morning television program called *The Balancing Act*.¹³ INV Robbins obtained mp3 and mp4 copies of the video (Exhibits 4z and 4aa). Moses explains, “Alera has thrived in creating simple, affordable, quality healthcare solutions for anyone and everyone. And, whether you're an individual, whether you're family, or whether you're an employer, and we've done that through innovation,” (Exhibits 4z and 4aa, 1:05 – 1:20). Moses went on to briefly describe each Trinity HCSM plan, and never mentioned the religious motivation or emphasis in the interview. He demonstrated the ease with which consumers can sign up for “individual plans” (i.e. HCSM plans) on the website.

3. Literature:

12. The video is available at <https://youtu.be/q8FyZmOla6c>.

13. According to its website, *The Balancing Act* is “a daily morning show that brings cutting-edge ideas to today’s on-the-go, modern woman to help balance and enrich her life every day,” (retrieved from <https://thebalancingact.com/about/>). The video is available at <https://youtu.be/l7aobwe3kZ4>.

INV Robbins obtained brochures from Alera’s website regarding the various Trinity HCSM plans which Alera offers (Exhibits 4ab – 4ae). Each brochure features a disclaimer which reads “This is NOT Insurance.” A representative first paragraph, below, describes the nature of the plans (Exhibit 4ab, pg. 1):



ALIERACARE™
INDIVIDUAL

Everyday healthcare plans for individuals and families

Alera Healthcare, Inc. in partnership with Trinity HealthShare, Inc. created the best of two medical care programs to provide healthcare solutions designed to reduce out-of-pocket expenses and improve individuals’ and families’ healthcare experiences. Alera’s program in conjunction with a Health Care Sharing Ministry (HCMS) Hospitalization and Surgery plans which provides members with one of the most flexible and cost-savings programs in the market today. The goal of our model of care is to achieve an optimal level of wellness and improve care while providing cost-effective, non-duplicative services.

**Alternative
Healthcare
Plans**

The brochure also explains the following (Exhibit 4ab, pgs. 3, 11):

• **Healthshare Membership** – Trinity HealthShare, Inc. is a Health Care Sharing Ministry (HCMS) which acts as an organizational clearing house to administer sharing of healthcare needs for qualifying members. The membership is based on a religious tradition of mutual aid, neighborly assistance, and burden sharing. The membership does not subsidize self-destructive behaviors and lifestyles, but is specifically tailored for individuals who maintain a healthy lifestyle, make responsible choices regarding health and care, and believe in helping others. The HCMS Healthshare membership is NOT health insurance. See legal notices page.

STATEMENT OF BELIEFS
Because Trinity HealthShare, Inc. is a religious organization, members are required to agree with the organization’s Statement of Beliefs:

1. We believe that our personal rights and liberties originate from God and are bestowed on us by God.
2. We believe every individual has a fundamental religious right to worship God in his or her own way.
3. We believe it is our moral and ethical obligation to assist our fellow man when they are in need, according to our available resources and opportunity.
4. We believe it is our spiritual duty to God and our ethical duty to others to maintain a healthy lifestyle and avoid foods, behaviors, or habits that produce sickness or disease to ourselves or others.
5. We believe it is our fundamental right of conscience to direct our own healthcare, in consultation with physicians, family, or other valued advisor.

LEGAL NOTICES
The following legal notices are the result of discussions by Trinity HealthShare, Inc. or other healthcare sharing ministries with several state regulators and are part of an effort to ensure that Sharing Members understand that Trinity HealthShare, Inc. is not an insurance company and that it does not guarantee payment of medical costs. Our role is to enable self-pay patients to help fellow Americans through voluntary financial gifts.

The “short-term healthcare” plan apparently mirrors “short-term medical” plans available in the disability market in certain jurisdictions. Alera’s literature describes it as “a short-term comprehensive healthcare plan” (Exhibit 4ad, pg. 1) and does not mention a religious/ethical conviction. The dental and vision plan “gives you exactly what you need to maintain your overall dental health, whatever your budget or lifestyle” (Exhibit 4ae) and likewise does not mention a religious/ethical ethos. Alera’s informational brochure for the CarePlus Advantage product explains it is “a catastrophic health plan that offers assistance with the cost of major medical expenses,” (Exhibit 4ac, pg. 1). It, too, does not mention a religious or ethical conviction. Each brochure contains legal disclaimers at the end which explain these are not insurance products; “[o]ur role is to enable self-pay patients to help fellow Americans through voluntary financial gifts.”

iv. Responses from Alera:

On 10/22/2018, Alera responded to the OIC on behalf of itself and Trinity (Exhibit 5a). The company explained (pg. 1):

Alera is not a health care sharing ministry. Alera is best described as an innovative healthcare organization offering members a comprehensive model of care. Alera has entered into an exclusive agreement with Trinity Healthshare, Inc. to provide operational and marketing support in order that Trinity might grow to include people of faith from throughout the United States. Trinity’s board directs the activities of the sharing ministry through the issuance of sharing guidelines and through oversight of the servicing that Alera provides to the sharing members on their behalf.

The company related (Exhibit 5a, pg. 5):

Alera provides exclusive operational and marketing support for Trinity. Trinity directs the activities of Alera through the administration of the signed agreement, as well as the spiritual guidance for the ministry and its members.

Alera provided a copy of Trinity’s 501(c)(3) certificate, showing it is a non-profit entity (Exhibit 5b). It provided a list of five statements “that members must attest they agree with before they can be enrolled in a health care sharing plan offered by Alera on behalf of

Trinity.” Alera explained consumers must attest they share in these beliefs, either in a recorded verification call or by electronic signature as part of the application process (Exhibit 5a, pg. 2).¹⁴

Regarding the WA state requirement that a HCSM must have been in continuous existence and sharing expenses since December 31, 1999, Alera stated it disagreed with an interpretation that understood this language literally. The company explained (Exhibit 5a, pg. 3):

it seems reasonable that the [Washington state] definition would be applied in the same context as the U.S. Code, in that the five (5) elements described in the Code as the definition for Minimum Essential Coverage and the Individual Shared Responsibility Payment, not for the existence of the health care sharing ministry outside of that context, or to negate the fact that health care sharing ministry plans do not meet the definition of insurance.

However, Alera went on to state (Exhibit 5a, pg. 3):

Trinity derives its existence from the Baptist association of churches which have been in existence and continually sharing since the 1600 ... The health care needs of the members of Trinity Healthshare, Inc., through its historical predecessor church association, have been shared for years ahead of the statutory demarcation point of December 31, 1999.

The OIC asked for documents to support the contention that Trinity, or a predecessor organization, had been sharing expenses as a HCSM since at least December 31, 1999. Alera replied, “Neither Alera nor Trinity have access to predecessor Baptist association records, but the role of the Baptist church and its association of churches in assisting members has been documented historically since the 1600’s,” (Exhibit 5a, pg. 4).

Alera explained that, in addition to the HCSM component it administers for Trinity, “Alera also manages small employer self-funded health benefit plans,” (Exhibit 5a, pg. 5). Alera

14. See this process explained by a trainer in Exhibits 4v and 4w (discussed above).

bundles several non-insurance products with the HCSM elements to form different plans:¹⁵

Trinity product	Alera product
<i>AleraCare</i>	+ Telemedicine, discount prescription drugs, concierge services to locate “in-network” providers
<i>PrimaCare</i>	+ Telemedicine, discount prescription drugs, concierge services to locate “in-network” providers
<i>InterimCare</i>	+ Telemedicine, discount prescription drugs, concierge services to locate “in-network” providers
<i>CarePlus</i>	+ Telemedicine, discount prescription drugs, concierge services to locate “in-network” providers

The OIC inquired about Unity Healthshare (“Unity”), a HCSM for which Alera had previously acted as a marketer and administrator. Alera explained the Unity board “exercised its rights to terminate the administrative agreement with Alera and transition their membership to another administrator,” (Exhibit 5a, pg. 5).

The OIC asked Alera to explain references to “in-network” in its plan materials, and the company explained it uses a MultiPlan network. “The MultiPlan PHCS network is managed by MultiPlan, and Trinity members who are seeking medical services are requested to utilize in-network providers in an attempt to manage the cost of health care expenses that will be requested for sharing,” (Exhibit 5a, pg. 6). Alera also provided copies of member guidelines for the four plans it offers (Exhibits 5c – 5f).

v. Agreement Between Trinity and Alera

On 11/16/18, Alera provided a copy of the signed agreement between itself and Trinity (Exhibit 5g) dated effective 08/13/18, which is approximately six weeks after Trinity incorporated as a domestic corporation in the State of Delaware. The agreement was signed by Moses (Alera’s Executive Vice President) and Trinity’s CEO. The agreement explains (Exhibit 5g, §2-3):

15. The OIC created the following table from a written description Alera provided.

WHEREAS, Alera develops and markets healthcare products as an alternative to traditional health insurance, with some products containing a health care sharing ministry component;

WHEREAS, Alera is a program manager for health care sharing ministry plans, responsible for the development of plan designs, pricing, and marketing materials, vendor management, and recruitment and maintenance of a national sales force to market plans, including accounting and management of sales commissions to authorized marketing representatives on behalf of the ministry;

The agreement states Trinity had filed to become a 501(c)(3) entity, and wanted Alera to offer its HCSM plans (Exhibit 5g, pg. 3). Alera was granted “exclusive license to **develop**, **market** and **sell** the HCSM plans to individuals in the public markets who will acknowledge the standard of beliefs and other requirements as deemed necessary by Trinity, and agreed upon by Alera,” (Exhibit 5g, pg. 4, §1a).¹⁶ In addition, Alera will “provide enrollment and other administrative services relating to the HCSM and to market the Plans, which Plans will not include insurance products and cannot be bundled with insurance,” (Exhibit 5g, pg. 1).

The agreement also noted, “Trinity currently has no members in its HCSM, and the Parties intend that the members who enroll in the Plans become ‘customers’ of Alera, and that Alera maintain ownership over the ‘Membership Roster,’” (Exhibit 5g, pg. 1; see also pg. 4, 1d). Alera “may only accept subscriptions from members who will acknowledge the standard of beliefs and other requirements as deemed necessary by Trinity and agreed upon by Alera,” (Exhibit 5g, pg. 4, 1d).

Trinity delegates all financial accounting functions to Alera (Exhibit 5g, pg. 5, 1h). No more than one-third of Trinity’s board may be affiliated with Alera (Exhibit 5g, pg. 5, 1k). In addition to the normal apportionment of fees, Trinity receives \$25 for each application (Exhibit 5g, pg. 7, 3a). Alera forwards all allotted fees to Trinity monthly, and controls a bank account established for that purpose (Exhibit 5g, pg. 7, §3c-d).

16. Emphasis mine.

The fee schedule shows Trinity retains virtually no funds; they largely return to AlierCare for various purposes. One representative example follows (Exhibit 5g, pg. 16):

AlierCare & InterimCare

Trinity acknowledges and agrees that AlierCare will receive and retain 65% of the total member share contribution for each primary member of each of the AlierCare and Interim Care plans (the "Total Side by Side MSC") for the AlierCare components of each plan and as payment for the Services.

Trinity will receive 35% of the Total Side by Side MSC (the "Trinity MSC"). Trinity will reimburse AlierCare, from such amount, the following fees in the following percentages for AlierCare's payment of vendor cost for the AlierCare and Interim Care plans, as well as distribute the following amounts to the ShareBox account to be used solely for member medical expense payments.

Program Expenses Side by Side Products	% of Trinity MSC
AlierCare Mgmt Fee/General Overhead/Ops Labor/Internal Sales	19.6%
Commissions	30.0%
TPA Fees	2.6%
Provider Network (Multi Plan)	1.2%
Telemedicine	0.8%
Total Reimbursement	54.2%
ShareBox Contribution / Side by Side Products	% of Trinity MSC
ShareBox Member Reserve	44.3%

AlierCare retains 65% of all fees outright, and Trinity receives the remaining 35%. However, as the example above makes clear, Trinity repays *from its 35%* (i.e. "from such amount") 54.2% of this total to AlierCare for various reimbursements. The remaining 44.3% of the 35% Trinity received is placed into a reserve account for member medical expenses (Exhibit 8e, pgs. 7-8). In practical terms, the arrangement looks like this with a figurative total of \$100:

	Less		Total
Money received from consumer			100.00
Less 65% to AlierCare	- 65	=	35.00
Less 54.2% of the remaining 35% reimbursed to AlierCare	- 18.97	=	16.03
Less 44.3% of the remaining 35% placed in member expense reserve	- 16.03	=	0.00

Trinity has a similar arrangement for its CarePlus, PrimaCare and dental and vision plans (Exhibit 5g, pgs. 16-18).

b. TRINITY HEALTHSHARE:

i. **Background:**

Trinity Healthshare registered as a domestic corporation in the State of Delaware on 06/27/18 (Exhibit 8a). Approximately four months later, on 10/26/18, Trinity registered as a foreign corporation in the State of Georgia, with William Thead as the CEO and David Thead as the CFO and Secretary (Exhibit 8b). Trinity provided an address that was nearly identical to that of Alera, at 5901b Peachtree Dunwoody Road, Atlanta, GA 30328.¹⁷ However, the address is likely false, as the RIU sent correspondence to it in November 2018 (mere weeks after Trinity incorporated in Georgia) which was returned as undeliverable (Exhibit 8c).

ii. **Responses:**

1. *First Response*

On 12/07/18, in response to the OICs notice (Exhibit 3b), Trinity replied (Exhibit 8d) via its attorney, J. Joseph Guilkey (“Attorney Guilkey”), who provided a letter written by Trinity’s CEO, William Thead (“Thead”). In his letter, Thead explained “we are confident that Trinity meets the criteria listed in 26 USC § 5000A to be considered a health care sharing ministry.” He explained Trinity was seeking a determination letter from the U.S. Department of Health and Human Services to that end, and believed such a letter would settle the matter (Exhibit 8d, pg. 1).¹⁸ Thead explained that, regardless, Trinity does meet the definition of an insurer “because Trinity’s operations do not shift risk to Trinity,” (Exhibit

17. Only the suite number is different. Alera is Suite 200 (Exhibit 4b), whereas Trinity is Suite 160c (Exhibit 8b).

18. HHS has informed the OIC it stopped issuing such determinations several years ago.

8d, pg. 2). Thus, Thead concluded, statutes regarding insurers are not applicable to Trinity.

Regarding whether Trinity had been operating continuously sharing member medical needs since at least 12/31/99, Thead stated his response was “contingent” on a determination from HHS. However, as HHS has told OIC, it has not provided such certifications for several years. RIU asked for more specifics about the history of any Trinity predecessor organization, as follows:

In its own response to the OIC, Alieria stated, "Trinity derives its existence from the Baptist association of churches which have been in existence and continually sharing since the 1600's." As you are likely aware, there is no single, monolithic "association of Baptist churches." This is in marked contrast to, for example, the Roman Catholic Church. Baptist churches exist in the free church tradition, which is marked by a quest for autonomy from the State and, to greater or lesser extent, from ecclesiastical bureaucracy in general. The context for this ecclesiology is the principle of soul liberty; more specifically Baptists own struggles against State churches in Europe and America during and after the Protestant Reformation. The Baptist tradition does not express itself as a monolithic denomination, but rather as a multi-layered patchwork of local, regional, national and inter-national cooperative networks (i.e. "associations") of independent churches, many of which (at all levels) are aloof from and do not maintain formal ecclesiastical ties with each other. Even beyond the association level, there are many independent Baptist churches worldwide which remain detached from all associations, and view them as infringing on the autonomy of a local church.

In light of this context, please (1) provide more clarification on Alieria's representations ... and (2) please explain how this representation satisfies the language of 26 USC §5000A.

Trinity replied that it believed its forthcoming certification from HHS would address the issue, then remarked, “[w]e have concerns that interpreting the language of 26 USC §5000A too narrowly based on how one religion has historically organized itself could unintentionally discriminate against other religions,” (Exhibit 8d, pg. 3). It explained (Exhibit 8d, pg. 4):

The Baptist association of churches, formally in existence since the early 1600's, has provided for the health care needs of association members as a predecessor of Trinity. Thus, Trinity's predecessor church association does not have a rigid corporate form.

Trinity also provided OIC a copy of the letter it sent to HHS, seeking official status as a HCISM. The letter explained why Trinity meets all five criteria of the Federal HCISM statute and, regarding the 12/31/1999 date, it largely echoed what it already provided to the RIU (Exhibit 8d, pg. 26):

Baptists and many other Christian denominations have been sharing in each other's medical expenses since the sixteenth century. They have not only shared medical expenses since before 1999, they have shared medical expenses since the 1600's. The Baptist association of churches has formally been in existence since the early 1600's.

In the letter, Thead also stated that Trinity “seeks to provide no-cost or low-cost health care sharing for missionaries, volunteers, employees of nonprofit faith-based ministries, and other individuals who share in our Statement of Beliefs. It coordinates sharing support from within the Baptist community to make this possible,” (Exhibit 8d, pg. 23).

2. Second Response

On 03/11/19, in response to OICs follow-up request (Exhibit 3c), Trinity responded to the OIC (Exhibit 8e). Trinity denied it was created for the express purpose of entering into a corresponding marketing agreement with Alera. Instead, it was created to share member medical needs in accordance with its Christian beliefs. It acknowledged it had no HCISM members at the time of its signed agreement with Alera (Exhibit 8e, pg. 4).

Trinity also acknowledged that, at the time of its signed agreement with Alera, it intended that all HCISM members become Alera customers and that Alera retain ownership of the membership roster. In fact, Alera has exclusive ownership rights to the membership roster, and Trinity cannot contact HCISM members unless Alera grants permission. Even

if Trinity's agreement with Alera is terminated, Alera will continue to service these HCSM members (Exhibit 8e, pgs. 4-5).

Trinity acknowledged Alera is contracted to perform all development, sales and marketing responsibilities, and that Alera must communicate Trinity's faith and lifestyle requirements to potential HCSM consumers (Exhibit 8e, pgs. 5-6).

Trinity acknowledged Alera is contracted to perform billing, collection and accounts payable services. Alera collects member contributions and enrollment fees, makes required distributions to a Trinity bank account, and is a signatory on Trinity's bank accounts (Exhibit 8e, pg. 6).

Trinity explained one of its purposes was to remain faithful to its statement of faith. However, Trinity provided a copy of its bylaws (Exhibit 8e, pgs. 11-16), which contain an *explicitly Protestant* statement that would be considered a conservative, evangelical expression of the Christian faith and message (see bylaws, Art. II.4, in Exhibit 8e, pg. 4). However, this statement of faith is quite different from the more generic faith statements Trinity members must agree to in order to join the HCSM:

Statement of Faith <i>from bylaws</i>		Faith Statements <i>from marketing and plan</i>	
1	We believe the Bible alone is the inspired Word of God; therefore it is the final and only source of absolute spiritual authority.	vs.	We believe that our personal rights and liberties originate from God and are bestowed on us by God.
2	We believe in the triune God of the Bible. He is one God who is revealed in three distinct Persons – God, the Father; God, the Son; and God, the Holy Spirit.	vs.	We believe every individual has a fundamental religious right to worship God in his or her own way.
3	We believe in Jesus Christ was God in the flesh – fully God and fully man. He was born of a virgin, lived a sinless life, died on the cross to pay the penalty for our sins, was bodily resurrected on the third day, and now is seated in the heavens at the right hand of God, the Father.	vs.	We believe it is our moral and ethical obligation to assist our fellow man when they are in need per our available resources and opportunity.
4	We believe that all people are born with a sinful nature and can be saved from eternal death only by grace alone, through faith alone, trusting only in Christ's atoning death and resurrection to save us from our sins and give us eternal life.	vs.	We believe it is our spiritual duty to God, and our ethical duty to others to maintain a healthy lifestyle and avoid foods, behaviors, or habits that produce sickness or disease to ourselves or others.

5	We believe in the bodily resurrection of all who have put their faith in Jesus Christ. All we believe and do is for the glory of God alone.	vs.	We believe it is our fundamental right of conscience to direct our own healthcare in consultation with physicians, family, or other valued advisors.
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As a result of Trinity’s representation that it “coordinates sharing support **from within the Baptist community**”¹⁹ to carry out its mission, the RIU asked Trinity whether it “intends to restrict membership to members of self-identified Baptist religious communities.” Trinity explained the Federal HCSM statute does not require HCSM members “to rigidly adhere to a particular, in Trinity’s case Christian, denomination.” Indeed, Trinity stated “[f]undamentally, Trinity’s Statement of Beliefs require members to believe in God,” (Exhibit 8e, pg. 8).

This is incorrect; there are numerous self-identified Christian groups which could not sign Trinity’s Statement of Faith from its bylaws. Rather, Trinity’s Statement of Faith is an *explicitly Protestant* expression of the Christian faith and its bylaws state all HCSM members must adhere to it (see bylaws, Art. III.1; in Exhibit 8e, pg. 12):

ARTICLE III
MEMBERSHIP

Section 1. Age and Gender. Membership shall not be limited on the basis age or gender. Membership is limited to traditional believers who are volunteers, missionaries, or employees of nonprofit Trinity Healthshare, Inc. ministries, and those who prescribe to the Statement of beliefs at Article II, Section 4, and prescriptions for living a full, healthy and personally spiritual life as contained in the bible and holy writings.

However, the faith statements it actually asks members to agree to in its marketing materials and solicitations bears little resemblance to the Protestant Statement of Faith in its bylaws (see the table, above). Specifically, Trinity’s conservative Statement of Faith from its bylaws expresses the following:

1. The statement affirms a Protestant understanding of the Bible as the “final and only source of absolute spiritual authority.” This position is at odds with other

19. Emphasis mine.

Christian traditions which see the role of tradition, through the precedent of the teaching magisterium of the church, as a legitimate source of authority to interpret the Bible for the people.

2. The statement affirms God is triune, which identifies the God whom Trinity believes in to be an *explicitly monotheistic, Trinitarian* God. This position is at odds with other self-identified Christian groups or renewal movements which explicitly deny the doctrine of the Trinity, such as the Jehovah's Witnesses, the Church of Jesus Christ of Latter Day Saints, and the United Pentecostal Church International, etc.
3. The statement affirms an orthodox view of Jesus Christ as fully God and fully man, in broad agreement with the Council of Chalcedon (451 A.D.). It also affirms the virgin birth, Christ's sinless life, His literal death to atone for sins, His bodily resurrection, and His ascension to heaven to rejoin God the Father.
4. The statement also affirms people can only be saved from eternal death "by grace alone, through faith alone, trusting only in Christ's atoning death and resurrection to save us from our sins and give us eternal life." This is an *explicitly Protestant* interpretation of the doctrine of salvation, as evidenced by the terminology "grace **alone**, through faith **alone**, trusting **only** in Christ's atoning death ..." ²⁰ For example, these statements are at odds with the Roman Catholic Church's doctrine of salvation, both in its formal catechism and in the canons and decrees of the Council of Trent.
5. The statement explains Trinity believes in the literal, bodily resurrection "of all who have put their faith in Jesus Christ."

Trinity not only put forth an explicitly Christian statement of faith, but an *explicitly Protestant expression* of the Christian faith and message. This ethos seems to be contradicted by the broader, generic faith statements it obligates its members to agree to. Moreover, Trinity's bylaws state membership is limited to those who prescribe to the statement of faith *in its own bylaws* (see bylaws, Art. III.1; in Exhibit 8e, pg. 12), not the

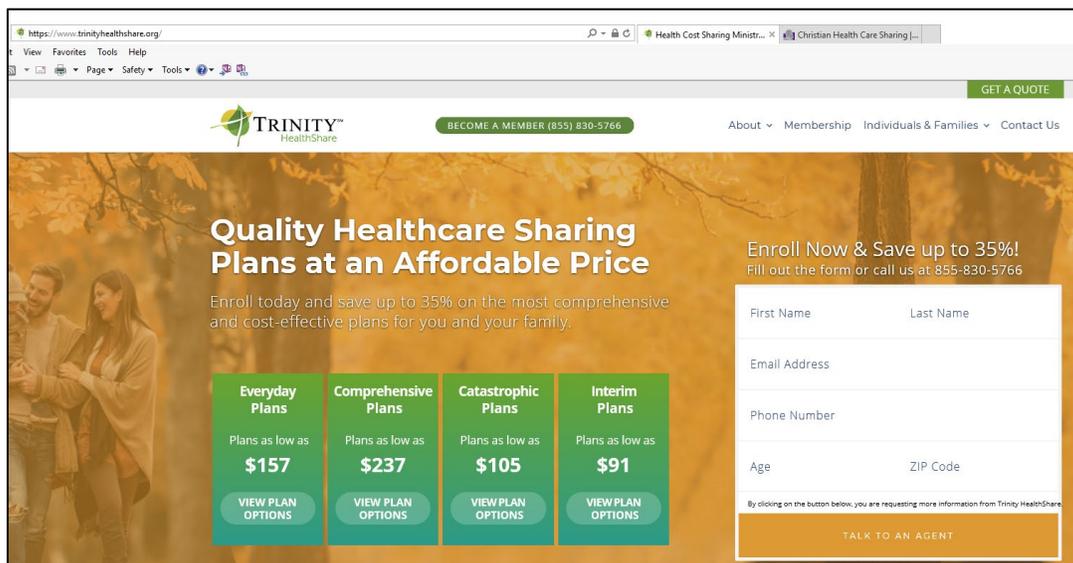
20. Emphasis mine. For further information on the "alone" and "only" statement bolded above, and the distinction between the historic Protestant and Roman Catholic understandings of salvation, see any public source discussion of the context of the "five solas" of the Protestant Reformation – [even Wikipedia](#).

more generic faith statements that Alera markets to consumers (Exhibit 8e, pg. 10). Trinity's claim that, in essence, it merely requires members to "believe in God" is incorrect.

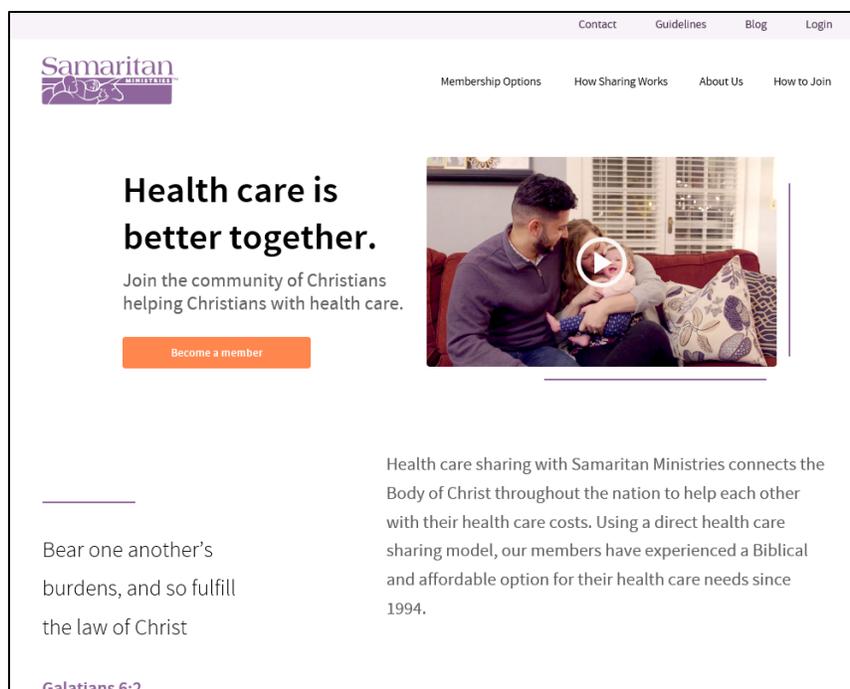
iii. Website:

Trinity's website, as it appeared on 01/24/19, emphasized the affordability of its plans for consumers (Exhibit 8f). It promotes "an alternative solution to the rising costs of health insurance without sacrificing on great healthcare." The site explains, "Trinity HealthShare is a unique healthcare sharing ministry (HCSM) because it offers membership to persons of all faiths and provides superior healthcare at a competitive price."

Below is a comparison between Trinity's webpage, and the more explicitly religious motivation of another HCSM:²¹



21. The image from Samaritan Ministries was captured from <https://samaritanministries.org/>.



Trinity’s “Healthcare Cost Sharing Explained” page compares components of traditional health insurance and HCSMs. It explains, “Trinity Healthshare's medical cost sharing plans provide affordable and effective alternatives for those who believe in individual responsibility, healthy living, and caring for one another,” (Exhibit 8g). It goes on, “Trinity HealthShare is a health care sharing ministry and bases its principles of health care upon sharing one another's burdens. With most medical cost sharing plans, individuals come together around a common religious or ethical belief, or both. Members must sign a statement of beliefs in order to join a health care sharing ministry.”

On 09/14/18, the ministry’s “FAQ” page explained, “becoming a member is simple; complete the membership application process online,” (Exhibit 8h, pg. 3). It also related, “Trinity HealthShare welcomes members of all faiths who can honor the Statement of Beliefs, by which the Trinity HealthShare program operates,” (Exhibit 8h, pg. 6).

c. ANABAPTIST HEALTHSHARE AND UNITY HEALTHSHARE:

i. **Background on Unity:**

During previous investigations, RIU learned Alera formerly contracted with another HCSM, Unity Healthshare (“Unity”). RIU determined Unity was domiciled in Virginia, and obtained publically available documents from the Virginia Secretary of State regarding the entity (Exhibits 9b – 9e). Unity registered as a domestic Virginia corporation on 11/10/16 (Exhibit 9b, pgs. 2-3), and noted its records would be kept at an address identical to Alera’s, in Georgia (Exhibit 9b, pg. 4). RIU cannot find any record that Unity registered as a foreign corporation in the State of Georgia.

On 12/05/17, approximately three weeks after Unity was created, a press release appeared promoting touting Unity and explained the HCSM had the same operating relationship with Alera that Trinity currently has (Exhibit 9e):

About Unity HealthShare

Unity HealthShare was established as a non-profit 501(c)(3) entity under the Anabaptist HealthShare organization. Members of health-sharing organizations share a common set of ethical or religious beliefs around health and community and further share in each other’s medical expenses, unlike traditional health insurance. Alera markets and sells Unity HCSM products alongside its non-insurance based products providing individuals ACA exemption.

In August 2018, Unity filed both a change of address and registered agent, and changed its name (Exhibits 9b – 9d). As of January 2019, Unity’s website (www.unityhealthshare.com) automatically redirects to Trinity’s website. Alera explained that Unity’s board terminated its agreement with Alera (Exhibit 5a, pg. 5), which likely prompted Unity’s address, resident agent and name changes.

From the documents RIU obtained during its four various investigations concerning Alera while it was Unity’s marketer, this investigation determined Unity had *precisely* the same generic “faith statements” as Trinity (Exhibits 9j – 9m). The following graphics demonstrate this (Exhibit 9j [pg. 2] from Unity, and Exhibit 5c [pg. 19] from Trinity, respectively):

• **HCSM Programs - Unity HealthShare (UHS) Statement of Beliefs**

At the core of what Unity HealthShare does, and how it relates to and engages with one another as a community of people, is a set of common beliefs.

UHS' Statement of Beliefs are as follows:

1. We believe that our personal rights and liberties originate from God and are bestowed on us by God.
2. We believe every individual has a fundamental religious right to worship God in his or her own way.
3. We believe it is our moral and ethical obligation to assist our fellow man when he/she is in need according to our available resources and opportunity.
4. We believe it is our spiritual duty to God and our ethical duty to others to maintain a healthy lifestyle and avoid foods, behaviors or habits that produce sickness or disease to ourselves or others.
5. We believe it is our fundamental right of conscience to direct our own healthcare, in consultation with physicians, family or other valued advisors.

MEMBERSHIP QUALIFICATIONS

Statement of Beliefs

At the core of what we do, and how we relate to and engage with one another as a community of people, is a set of common beliefs. Our Statement of Shared Beliefs is as follows:

1. We believe that our personal rights and liberties originate from God and are bestowed on us by God.
2. We believe every individual has a fundamental religious right to worship God in his or her own way.
3. We believe it is our moral and ethical obligation to assist our fellow man when they are in need per our available resources and opportunity.
4. We believe it is our spiritual duty to God and our ethical duty to others to maintain a healthy lifestyle and avoid foods, behaviors, or habits that produce sickness or disease to ourselves or others.
5. We believe it is our fundamental right of conscience to direct our own healthcare in consultation with physicians, family, or other valued advisors.

Given that Trinity replaced Unity as Alera's HCSM partner, their identical "faith statements" raises reasonable questions about whether Trinity was formed with the express purpose of entering into a marketing agreement with Alera, and about the veracity of the *nature* (not the content) of its religious ethos.

ii. Background on Anabaptist

RIU queried the Virginia Secretary of State, which provided all documents it possessed regarding Anabaptist Healthshare ("Anabaptist"). The entity was incorporated as a

domestic Virginia corporation on 5/25/15 (Exhibit 9f, pg. 4). The same individual, Tyler Hochstetler, acted as the registered agent for both Anabaptist and Unity.²²

In its 2018 annual report, Unity listed two Alieria executives as directors (Exhibit 9g). In May 2018, Chase Moses, Alieria's Executive Vice President, submitted Unity's Form 990 for calendar year 2016 (Exhibit 9h). The form explained Anabaptist's purpose was "to provide health care sharing support for the missionaries, volunteers, and employees of conservative Anabaptist ministries and businesses," (Exhibit 9h, pg. 2).

iii. **Agreement with Alieria**

Alieria provided RIU with a copy of its agreement with Unity (Exhibit 9i), which was signed on 02/01/17, approximately two months after Unity incorporated (Exhibit 9i, pg. 9). The agreement is similar to Trinity's, in that Unity gave Alieria exclusive license to sell and distribute Unity products (Exhibit 9i, pg. 4).

The agreement suggests Unity was formed as an HCSM for *the express purpose* of entering into this agreement with Alieria. It states that, "to facilitate the intent and purpose of this agreement," Anabaptist "has formed a subsidiary named Unity Healthshare, LLC," (Exhibit 9i, pg. 7). Alieria even agreed to reimburse Anabaptist up to \$1,000 "for costs directly associated with the creation and filing of a new Section 501(3)(C) [*sic*] 'health share charitable organization' to be known as Unity Healthshare, LLC," (Exhibit 9i, pg. 7).

5. **REVIEW OF EVIDENCE OBTAINED**

a. DOES TRINITY MEET THE DEFINITION OF A HCSM?

The evidence indicates Trinity does not meet the definition of a HCSM because (1) its representations about its religious convictions are contradictory, (2) it has not been operating as a 501(c)(3) legal entity and sharing member medical needs continuously

22. Compare Exhibit 9f, pg. 7 and Exhibit 9a, pg. 4.

since December 31, 1999, and (3) evidence indicates Trinity was formed in 2018 for the express purpose of entering into a marketing agreement with Alera.

i. Religious convictions

OIC's interest is not in the *content* of Trinity's religious ethic; its interest is in the veracity of the *nature* of Trinity's representations *about* this religious motivation. If Trinity and its members do not share a religious or ethical motivation, then it cannot be an HCSM. Trinity's contradictory representations about the *nature* of its religious ethic to State and Federal government agencies and to consumers indicates it either does not understand its religious motivation, or fails to communicate a consistent message about its religious ethic to State and Federal regulators and its own members.

In representations to HHS, the State of Delaware and the OIC, Trinity states it holds to an explicitly conservative, Protestant expression of the Christian faith. Moreover, its bylaws obligate its members to affirm this specific Statement of Faith. However, the faith statements in its marketing materials and solicitations are very different. Indeed, one Alera-linked trainer explained to prospective agents who will sell the HCSM product, “[i]t 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 ...”

Trinity incorrectly asserted the Statement of Faith in its bylaws, in essence, simply requires members to “believe in God.” This is incorrect; the Statement of Faith requires members to believe in a *very particular expression* of the Christian faith and message. Indeed, they require members to believe in a *very particular* Trinitarian conception of God.

ii. Legal status since December 31, 1999

Trinity was incorporated in 2018, and the Federal statute says a HCSM must have been in *continuous* existence sharing member health needs *continuously* since 12/31/1999. Trinity suggests OIC is incorrect to interpret the 1999 date as binding. It acknowledges

its very recent formation date, but states its religious ethos reflects the Baptist tradition of sharing health needs, which dates to at least the 16th century.

However, evidence suggests Trinity was formed for the express purpose of entering into a marketing agreement with Alieria, which was precisely what happened with Alieria's previous HCSM partner, Unity. Trinity incorporated, signed an agreement with Alieria, and brought no HCSM consumers to the agreement. Moreover, it retains virtually no funds from sales, delegates all operations to Alieria, and even yields maintenance, ownership and access to the membership list to Alieria. Unity and Trinity even obligate its HCSM consumers to agree to the *exact same* generic faith statements.

iii. Summary

Because (1) it was formed as a legal entity after 12/31/1999 and evidence suggests Trinity was formed for the express purpose of entering into a marketing agreement with Alieria, and (2) Alieria made (and continues to make) numerous contradictory representations about the nature of its religious ethic to consumers, State and Federal regulators, (3) Trinity does not meet the definition of an HCSM, according to RCW 48.43.009. Therefore, Trinity is not exempt from insurance regulation and is acting as an unauthorized insurer (as defined by RCW 48.01.050) which offers a variety of unauthorized disability insurance plans (as defined by RCW 48.11.030), because it undertakes to indemnify a consumer or pay a specified amount upon a determinable contingency of bodily injury, sickness or other health-related matters (see RCW 48.01.040).

Alieria declined to provide detailed information to RIU about the number of Trinity's HCSM products it has sold and the total amount of funds collected (Exhibit 5h). RIU did not elect to then seek the information via a subpoena.

b. ARE ALIERA'S ADVERTISEMENTS ABOUT THE TRINITY HCSM OPTIONS FALSE OR MISLEADING?

The evidence indicates this allegation is substantiated.

i. Legal basis for the determination

Because the evidence indicates Trinity is not a HCSM, as defined by RCW and Federal statute, the laws concerning advertising for disability insurance likely apply to Trinity's HCSM products. Regardless of this finding, because these HCSM products mirror disability policies in their *function* (not the legal structure of the entity offering them), it is prudent to use disability advertising statutes to determine whether Trinity and Alera are providing misleading or deceptive advertisements regarding HCSM products.

To that end, RCW 48.30.040 explains Trinity and Alera cannot “knowingly make, publish, or disseminate any false, deceptive or misleading representation or advertising in the conduct of the business of insurance.” According to WAC 284-50-050(1), the “format and content” of these disability insurance advertisements “shall be sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive.” The statute explains that such 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,” (WAC 284-50-050[2]).

Likewise, WAC 284-50-060(1) relates that “[n]o advertisement shall omit information or use words, phrases, statements, references, or illustrations if the omission of such information or use of such ... 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 consumer later receives plan documents to review “does not remedy misleading statements.”

The OIC “shall” determine whether a particular disability advertisement “has a capacity or tendency to mislead or deceive” based on “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,” (WAC 284-50-050[1]).

ii. Advertisements are deceptive and misleading

Evidence indicates Alier's advertisements for Trinity's HCSM products are deceptive and misleading for both the selling agents and the consumers. The overall impression an average agent or consumer would likely receive from these advertisements and training tools is that the HCSM products are insurance:

- The agent training videos and assessment do not instruct prospective agents to convey the religious/ethical ethos which the RCW and Federal statute envision potential consumers will have. In fact, these tools use statutory and colloquial insurance terminology when describing the HCSM products to new agents who will sell them. This evidence therefore suggests the faith statements and disclaimer at the end of the agent assessment are *pro forma*.
- An Alier consumer advertisement video promises that Alier is "redefining the healthcare experience" by putting the "power of choice" in the consumer's hands (Exhibits 4x and 4y). An Alier's executive explained on television that Alier has created new "healthcare choices" through innovation (Exhibits 4z and 4aa, 1:05 – 1:20). The television host explained the Alier executive was there to discuss "healthcare in America" (Exhibits 4z and 4aa, 0:00 – 0:50), and the executive described the HCSM plans for a national television audience without ever mentioning a religious/ethical motivation or caveat. This evidence suggests Alier's HCSM disclaimers to consumers in its literature are *pro forma*.

In mid-2018, when Unity was Alier's marketer, RIU received complaints from four consumers who stated the Alier-contracted agent misrepresented the HCSM product as an insurance plan.²³ Since Trinity became Alier's HCSM partner, RIU has received a similar complaint against Alier in which the consumer alleged misrepresentation and explained he was solicited Trinity HCSM products along with actual insurance plans.²⁴

23. See RIU cases 1560917, 1549758, 1539832 and 1546395. RIU opened each investigation to determine whether Alier was selling insurance products without a license. Once it became apparent these complaints involved HCSM products, RIU closed each complaint as unsubstantiated. RIU did not make determinations about misrepresentation, because it determined it lacked jurisdiction over HCSM organizations.

24. See RIU case 1598492. The complaint did not cooperate with RIU or respond to requests for further information, and RIU did not open an investigation.

Another consumer related an agent claimed her physician and dentist were “in network,” but later discovered this was incorrect.²⁵

The evidence indicates Alera (1) failed to represent Trinity’s actual Statement of Faith, as defined by Trinity’s bylaws, (2) provided misleading training to prospective agents about the nature of the HCSM products, and (3) provided misleading advertisements to the general public and potential consumers that have the capacity or tendency to mislead or deceive consumers, based on the overall impression that these advertisements may be reasonably expected to create upon a person of average education.

Conclusions

- 1. The allegation that Trinity does not meet the statutory definition of a HCSM under RCW and Federal statute is substantiated. Trinity is therefore acting as an unauthorized insurer, in violation of RCW 48.05.030.**

The allegation is substantiated because (1) Trinity’s representations about its religious convictions are contradictory, (2) it has not been operating as a 501(c)(3) legal entity and sharing member medical needs continuously since December 31, 1999, and (3) evidence indicates Trinity was formed in 2018 for the express purpose of entering into a marketing agreement with Alera.

- 2. The allegation that Alera’s various advertisements on behalf of Trinity are deceptive and have the capacity and tendency to mislead or deceive consumers to believe they are purchasing insurance rather than a HCSM membership, in violation of RCW 48.30.040, WAC 284-50-050 and 284-50-060, is substantiated.**

The evidence indicates Alera (1) failed to represent Trinity’s actual Statement of Faith, as defined by Trinity’s bylaws, (2) provided misleading training to prospective agents

25. See RIU case 1595064. RIU directed the consumer to work with Alera’s customer service to resolve the issue, and to contact OIC’s Consumer Protection division for advocacy assistance, if necessary.

about the nature of the HCSM products, and (3) provided misleading advertisements to the general public and potential consumers that have the capacity or tendency to mislead or deceive consumers, based on the overall impression that these advertisements may be reasonably expected to create upon a person of average education.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Tyler Robbins
Investigations Manager



**Final Investigative Report
Exhibits List**

Exhibit 1	(09.11.2018) Initial Complaint
Exhibit 2	(12.10.2018) NAIC license details
Exhibit 3a	(10.01.2018) Nol to Alieria and Trinity
Exhibit 3b	(11.08.2018) Nol to Trinity
Exhibit 3c	(02.26.2019) Follow-up Request for Info to Trinity
Exhibit 3d	(01.30.2019) Follow-up request to Alieria
Exhibit 4a	(12.18.2015) Alieria's Home Registration with Delaware Secretary of State
Exhibit 4b	(01.10.2019) Alieria #1 Documents from Delaware
Exhibit 4c	(04.28.2016) Alieria's Registration with Georgia Secretary of State
Exhibit 4d	(03.20.2017) Alieria Healthcare 2017 Georgia Registration
Exhibit 4e	(01.10.2018) Alieria Healthcare 2018 Georgia Registration
Exhibit 4f	(03.13.2017) Alieria Healthcare of Georgia Formation
Exhibit 4g	(03.14.2018) Alieria of Georgia 2018 Registration
Exhibit 4h	(07.05.2017) HealthPass USA Merger with Alieria
Exhibit 4i	(09.14.2018) Alieria Brochure for Brokers
Exhibit 4j	(11.05.2018) Alieria training portal homepage
Exhibit 4k	(09.28.2018) Training Modules Alieria (video)
Exhibit 4l	(09.28.2018) Training Modules Alieria (audio)
Exhibit 4m	(2016) Alieria Healthcare - Your ACA Solution (from Alieria's broker training site)
Exhibit 4n	(2016) Alieria Healthcare - Your ACA Solution (video)
Exhibit 4o	(2016) How to Use Your HealthPass Membership (video)
Exhibit 4p	(2016) Alieria Healthcare - How to Use Your Membership (from Alieria's broker training site)
Exhibit 4q	(2016) How to Activate Membership
Exhibit 4r	(2016) How to Activate Your HealthPass Membership (video)

Exhibit 4s	(11.05.2018) Alera Agent Assessment
Exhibit 4t	(10.29.2018) Alera Healthcare Product Overview (video)
Exhibit 4u	(10.29.2018) Alera Healthcare Product Overview
Exhibit 4v	(11.01.2018) Alera Healthcare Enrollment Process (video)
Exhibit 4w	(11.01.2018) Alera Healthcare Enrollment Process
Exhibit 4x	(09.19.2018) Alera Healthcare - A New Era in Healthcare Choices (video)
Exhibit 4y	(09.19.2018) Alera Healthcare A New Era in Healthcare Choices
Exhibit 4z	(10.01.2018) Alera Healthcare featured on The Balancing Act, Lifetime TV (video)
Exhibit 4aa	(10.01.2018) Alera Healthcare featured on The Balancing Act, Lifetime TV (mp3)
Exhibit 4ab	(2018) Alera Comprehensive Care Brochure
Exhibit 4ac	(2018) Alera CarePlus Advantage Brochure
Exhibit 4ad	(2018) Alera Short-term Care Brochure
Exhibit 4ae	(2018) Trinity Dental and Vision Plan
Exhibit 5a	(10.22.2018) Alera's First Response to OIC
Exhibit 5b	(10.01.2018) Trinity's 501(c)3 Certificate
Exhibit 5c	(2018) AleraCare BSG Member Guide
Exhibit 5d	(2018) AleraCare VPP Member Guide
Exhibit 5e	(2018) CarePlus Member Guide
Exhibit 5f	(2018) InterimCare Member Guide
Exhibit 5g	(11.16.2018) Alera's Agreement with Trinity
Exhibit 5h	(02.19.2019) Alera's Second Response to OIC
Exhibit 6a	(06.17.2015) HealthPass USA Articles and Certificate of Organization in Georgia
Exhibit 6b	(2016) HealthPass USA 2016 Annual Registrations in Georgia
Exhibit 6c	(03.30.2017) HealthPass USA 2017 Annual Registration
Exhibit 7a	(11.05.2018) Request to Delaware for Alera (5045109)
Exhibit 7b	(01.10.2019) Alera #2 Documents from Delaware
Exhibit 7c	(09.29.2011) Alera's (#2) Home Registration with Delaware Secretary of State

- Exhibit 8a | (06.27.2018) Trinity HCSMs Home Registration with Delaware Secretary of State
- Exhibit 8b | (11.01.2018) Trinity's Registration in Georgia
- Exhibit 8c | (11.29.2018) Undeliverable Letter to Trinity
- Exhibit 8d | (12.07.2018) First Response from Trinity
- Exhibit 8e | (03.11.2019) Second Response from Trinity
- Exhibit 8f | (01.24.2019) Trinity's Website Home Page
- Exhibit 8g | (2018) Trinity Health Care Sharing explained
- Exhibit 8h | (2018) Trinity Healthshare FAQs
- Exhibit 9a | (11.15.2018) Unity's Incorporation in Virginia
- Exhibit 9b | (08.08.2018) Unity's Registered Agent Address Change
- Exhibit 9c | (08.14.2018) Unity's Principal Address Change
- Exhibit 9d | (08.22.2018) Unity's Principal Address Change
- Exhibit 9e | (12.05.2017) Press Release for Unity's New Website Launch
- Exhibit 9f | (11.16.2018) Request to and Response from Virginia About Anabaptist HealthShare Docs
- Exhibit 9g | (08.08.2018) Anabaptist Healthshare 2018 Annual Report
- Exhibit 9h | (05.18.2018) Anabaptist HealthShare's Form 990 for 2016
- Exhibit 9i | (11.16.2018) Alier's Agreement with Unity
- Exhibit 9j | (05.25.2018) 1539832 acknowledgment
- Exhibit 9k | (06.05.2018) 1546395 acknowledgment
- Exhibit 9l | (06.05.2018) 1549758 acknowledgment
- Exhibit 9m | (06.05.2018) 1560917 acknowledgment