

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED October 22, 2024 by MK

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of Unlicensed Activity of:

STRATEGIC LIMITED PARTNERS, LP;

Respondent.

No. 24A- 088 -INS

ORDER TO CEASE AND DESIST

The Arizona Department of Insurance and Financial Institutions (“Department”) received evidence that Strategic Limited Partners, LP (“Strategic Limited” or “Respondent”) has unlawfully engaged in the business of transacting insurance in the State of Arizona without obtaining a certificate of authority from the Director of the Department (“Director”). Accordingly, the Director makes the following Findings of Fact and Conclusions of Law and enters the following Order pursuant to A.R.S. § 20-401.02(A).

FINDINGS OF FACT

1. Strategic Limited is a Texas business entity registered with the Texas Secretary of State on October 13, 2021.
2. Strategic Limited is not registered with the Arizona Corporation Commission.
3. On or about October 24, 2023, Scott S. filed a complaint against Strategic Limited alleging that in January 2023 Strategic Limited sold him and his spouse an insurance policy for which they paid a premium from January to September 2023. Following enrollment, Scott S. and his spouse received member ID cards; however, Strategic Limited failed to provide them with a copy of the insurance policy and

1 subsequently failed to pay any of the claims filed by consumers' healthcare providers
2 leaving them with over \$24,000 in unpaid claims.

3 4. On or about April 9, 2024, John K. filed a complaint against Strategic Limited
4 alleging that Strategic Limited "seem[ing] like a 'broker/agent'" contacted him and sold him
5 a policy for which, upon enrollment, he only received a member ID card but not a copy of
6 the insurance policy.

7 5. The Department commenced an investigation into these allegations. The
8 Department's investigation found the following:

- 9 • Strategic Limited contacted Arizona consumers presenting them with options to
10 enroll in a healthcare insurance plan. Upon "enrollment," Strategic Limited
11 would send the consumers member ID cards and collect monthly premium
12 payments from the consumers.
- 13 • Strategic Limited presented to consumers that they are being enrolled in a
14 healthcare insurance plan and collected monthly insurance premiums payments.
- 15 • Strategic Limited acted as an insurer in Arizona and issued at least two (2)
16 healthcare insurance policies to Arizona consumers. From June 25, 2023, to
17 March 27, 2024, Strategic Limited collected \$4,894.00 in premium payments
18 from John K. Strategic Limited refunded a portion of the payments collected
19 from John K. and the remaining balance owed is \$2,032.60. From November
20 30, 2022, to September 26, 2023, Strategic Limited collected \$6,829.00 in
21 premium payments from Scott S. Strategic Limited refunded a portion of the
22 payments collected from Scott S. and the remaining balance owed is \$2,743.60.

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- Strategic Limited does not, nor it has ever held a license or certificate issued by the Department that would authorize them to enter into insurance contracts for healthcare coverage in Arizona.
- In March 2024, the Department issued subpoenas to Strategic Limited and its Chief Executive Officer Roy Franklin Anding (“Mr. Anding”) requesting that they provide a narrative response and records related to their business dealings in Arizona. The Department granted Respondent multiple extensions to comply with the subpoena. While Respondent provided a narrative response to the Department, Respondent failed to provide any supporting documents or directly address the Department’s specific requests. On or about October 2024, Strategic Limited, through their attorney, provided a list of current Arizona clients showing that 1670 clients have entered into the above described alleged insurance contracts. Strategic Limited has failed to comply with the remaining items requested in the subpoena at the time of this Order.
- The Department also issued a subpoena to Mr. Anding to appear for an examination under oath (“EUO”). Mr. Anding failed to appear for an EUO.

CONCLUSIONS OF LAW

6. The Director has jurisdiction over this matter.
7. Respondent’s conduct, as described above, constitutes the entering into contracts by which Respondent undertakes to indemnify consumers or to pay a specific amount on determinable contingencies. A.R.S. § 20-103.

1 8. Respondent's conduct, as described above, constitutes the solicitation and
2 inducement; preliminary negotiations; the effectuation of a contract of insurance, and
3 transactions of matters subsequent to effectuation of the contract and arising out of it as
4 related to the transaction of insurance business. A.R.S. § 20-106(A).

5 9. Respondent's conduct, as described above, constitutes a transaction of
6 insurance business in Arizona by an unauthorized insurer by making of or proposing to
7 make, as an insurer, an insurance contract, taking or receiving of any application for
8 insurance., issuing or delivering contracts of insurance to Arizona consumers, transacting of
9 any kind of insurance business specifically recognized as transacting an insurance business
10 within the meaning of the statutes relating to insurance. A.R.S. § 20-106(B).

11 10. Respondent's conduct, as described above, constitutes transacting a business
12 of insurance in Arizona without complying with the applicable provisions of Title 20.
13 A.R.S. § 20-107(A).

14 11. Respondent's conduct, as described above, constitutes failing to comply with
15 a subpoena issued by the Director within applicable provisions of Title 20. A.R.S. § 20-
16 160.

17 12. Respondent's conduct, as described above, constitutes acting as an insurer in
18 Arizona without a subsisting authority granted to it by the Director. A.R.S. § 20-206(A).

19 13. Respondent's conduct, as described above, constitutes violations of Title 20
20 provisions and Respondent does not qualify to hold authority to transact insurance in
21 Arizona. A.R.S. § 20-207.

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Upon receipt of a timely written request for a hearing, the Department will issue an order setting the time and place of the hearing.

Effective this 22nd day of October, 2024.

Barbara D. Richardson

Barbara D. Richardson, Director
Arizona Department of Insurance and Financial Institutions

1 **COPY** of the foregoing electronically delivered
this this 23rd day of October, 2024, to:

2 David G. Hanson, Esq.
3 dhanson@reinhardt.com
4 Attorney for Respondent

5 Deian Ousounov, Chief Deputy Director of Finance
6 Alena Caravetta, Regulatory Legal Affairs Officer
7 Ana Starcevic, Project Specialist
8 Catherine O'Neil, Consumer Legal Affairs Officer
9 Steven Fromholtz, Licensing Manager
Linda Lutz, Legal Assistant
Rachel Smith, Investigator
Arizona Department of Insurance and Financial Institutions
100 North 15th Avenue, Suite 261
Phoenix, Arizona 85007-2630

10 **COPY** of the foregoing mailed by U.S. First Class and Certified Mail,
11 Delivery Receipt requested,
this 23rd day of October, 2024, to:

12 Strategic Limited Partners, LP
13 Attn: Patrick Dooley, Registered Agent
14 309 E. Broad Street
Mansfield, Tx 76063

Respondent 9489 0090 0027 6599 2844 83

15 Roy Franklin Anding
16 2951 Marina Bay Dr. Ste. 130-643
League City, Tx 77573
Respondent

17 9489 0090 0027 6599 2844 90

18 David G. Hanson, Esq.
19 Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 1700
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Attorney for Respondent(s)

20 9489 0090 0027 6599 2845 06

21 Mayra Kariem

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