



FILED

MAR 12 2020

INSURANCE REGULATION

Docketed by: 

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 260378-20-CO

Application for the issuance of a
Certificate of Authority as an Insurance Administrator to
ETHOS ADMINISTRATORS, LLC

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by ETHOS ADMINISTRATORS, LLC (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”), of an application for the issuance of a Certificate of Authority as an Insurance Administrator pursuant to the provisions of Chapter 626, Part VII, Florida Statutes (“Application”). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the granting to it of a Certificate of Authority to operate as an Insurance Administrator in Florida, pursuant to the requirements set forth in the Florida Insurance Code.
3. APPLICANT is a Delaware domiciled limited liability company established June 10, 2019. APPLICANT represents it is 100% owned by Ethos Technologies, Inc., which is 25.95% owned by individual minority investors and employees, none of whom own 10% or more; 24.27% owned by Sequoia Funds; 14.57% owned by Accel Funds; 14.16% owned by Lingke Wang;

14.16% owned by Peter Colis; and 6.99% owned by GV 2019, L.P. Sequoia Funds is comprised of 5 funds, 4 of which hold a combined ownership of less than 10%, and Sequoia Capital U.S. Venture Fund XV, L.P., which holds 16.72% ownership and is controlled by its general partner, Sequoia Capital U.S. Venture XV Management, L.P., which is in turn controlled by its general partner, SC US (TTGP), Ltd. Accel Growth Funds is comprised of 3 funds, 2 of which hold a combined ownership of less than 10%, and Accel Growth Fund IV L.P., which holds 13.83% ownership, and is 68.8% controlled by its general partner, Accel Growth Fund IV Associates L.L.C., and 31.2% owned by various non-managing members, none of which has 10% or more ownership interest.

4. APPLICANT has made material representations that, except as disclosed in the Application, none of the officers or directors of APPLICANT have been found guilty of, or have pleaded guilty or nolo contendere to, a felony or misdemeanor, other than a minor traffic violation.

5. APPLICANT represents that it has submitted complete background information on the individual(s) referenced in paragraph 4 above. If said information has not been provided to the OFFICE, or if the sources utilized by the OFFICE in its investigation process reveal that the representations made in paragraph 4 above are inaccurate, any such individual shall be removed as officer or director of said company within 30 days of receipt of notification from the OFFICE and replaced with a person or persons acceptable to the OFFICE.

6. If, upon receipt of such notification from the OFFICE, pursuant to paragraph 5 above, APPLICANT does not timely take the required corrective action, APPLICANT agrees that such failure to act would constitute an immediate serious danger to the public and the OFFICE may immediately suspend, revoke, or take other administrative action as it deems appropriate upon

the Certificate of Authority of APPLICANT without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

7. The OFFICE has relied upon the representations in the Plan of Operation and supporting documents that APPLICANT submitted with its Application. Written approval must be secured from the OFFICE prior to any material deviation from said Plan of Operation.

8. APPLICANT agrees that should it fail to act as an “Administrator” as that term is defined in Section 626.88(1), Florida Statutes, within 1 year after execution of this Consent Order, APPLICANT shall immediately thereafter surrender its Certificate of Authority as an Insurance Administrator in Florida.

9. APPLICANT agrees that if it considers entering into any health care risk contract as defined in Section 641.234(4)(b), Florida Statutes, APPLICANT shall submit a copy of the health care risk contract to the OFFICE for review and approval prior to entering into such contract.

10. During the first year of operations, APPLICANT shall file with the OFFICE copies of all administrative agreements wherein administrative services are being provided for Florida resident insureds, within 30 days of execution of said agreements. Thereafter, APPLICANT shall file copies of such administrative agreements with the OFFICE on an annual basis.

11. Within 3 months after the end of APPLICANT’s fiscal year, APPLICANT shall file with the OFFICE full and true statements of its financial condition, transactions, and affairs, as required by Section 626.89(1), Florida Statutes.

12. APPLICANT shall comply with Section 626.89(2), Florida Statutes, which requires APPLICANT to file with the OFFICE, within 5 months after the end of APPLICANT’s fiscal year, an audited financial statement for the preceding fiscal year performed by an independent certified public accountant in accordance with United States generally accepted accounting principles. An

audited financial statement prepared on a consolidated basis shall include a columnar consolidating or combining worksheet and be filed with the audited statement and comply with the following:

- a. Amounts shown on the consolidated audited financial statement must be shown on the worksheet;
- b. Amounts for each entity must be stated separately;
- c. Each entity included in the consolidated and consolidating statements must be accurately identified by its legal name; and
- d. Explanations of consolidating and eliminating entries must be included.

13. All required reports and agreements referenced in paragraphs 9, 10, 11, and 12 above shall be filed via the OFFICE's Regulatory Electronic Filing System ("REFS"), at <http://www.floir.com/iportal>.

14. APPLICANT affirms that all information, submissions, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, and understandings regarding the ownership structure, operations, and control of APPLICANT. APPLICANT further agrees and affirms that said information, submissions, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

15. APPLICANT shall report to the OFFICE, Life & Health Financial Oversight, any time that it is named as a party defendant in a class action lawsuit within 15 days after the class is certified. APPLICANT shall include a copy of the complaint at the time it reports the class action lawsuit to the OFFICE.

16. APPLICANT shall maintain an information security program for the security and protection of confidential and proprietary information under its control that complies with all applicable laws and regulations regarding information security. APPLICANT agrees that it shall continually monitor and enhance its information security program in order to mitigate data security breaches. APPLICANT further agrees that it shall notify the OFFICE within 5 business days of identifying a breach.

17. Executive Order 13224 prohibits any transactions by U.S. persons involving the blocked assets and interests of terrorists and terrorist support organizations. APPLICANT shall maintain and adhere to procedures necessary to detect and prevent prohibited transactions with these individuals and entities, which have been identified at the Treasury Department's Office of Foreign Assets Control website, <http://www.treas.gov/ofac>.

18. Within 60 days from the date of the execution of this Consent Order, APPLICANT shall submit, or cause to be submitted, to the OFFICE a certification evidencing compliance with all requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be complete. Said certification shall be submitted to the OFFICE via electronic mail and directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

19. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such written approval by the OFFICE is subject to statutory or administrative regulation limitations.

20. APPLICANT expressly waives a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which

it may be entitled by law or rules of the OFFICE. APPLICANT hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order in any forum available to it, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

21. APPLICANT affirms that all requirements set forth herein are material to the issuance of this Consent Order.

22. APPLICANT agrees that, upon execution of this Consent Order, failure to adhere to one or more of the above terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon APPLICANT's Certificate of Authority in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

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

24. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signature of the authorized representative of APPLICANT, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT agrees that the signature of its authorized representative as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, the agreement between ETHOS ADMINISTRATORS, LLC, and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED, and the Application for the issuance of a Certificate of Authority to ETHOS ADMINISTRATORS, LLC, as an Insurance Administrator, pursuant to Section 626.8805, Florida Statutes, is APPROVED.

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

DONE and ORDERED this 12 day of March, 2020.



David Altmaier
David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, ETHOS ADMINISTRATORS, LLC, consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind ETHOS ADMINISTRATORS, LLC, to the terms and conditions of this Consent Order.

ETHOS ADMINISTRATORS, LLC

By: [Signature]

Print Name: Peter Colis

Title: President and Secretary

Date: 3/10/2020

STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

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

or online notarization, this 10th day of March 2020, by Peter Colis
(name of person)

as officer for Ethos Administrators, LLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

(company name)



[Signature]
(Signature of the Notary)

Holly Magno
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification X

Type of Identification Produced California driver's license

My Commission Expires: Dec. 22, 2023

COPIES FURNISHED TO:

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