



FILED

FEB 13 2024

INSURANCE REGULATION
Docketed by: ke

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 322882-24-CO

Application for the Issuance of a
Certificate of Authority as a
Health Maintenance Organization to
SECUR, INC.

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by SECUR, INC. ("APPLICANT"), with the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE") of an application for the issuance of a Certificate of Authority to operate as a Health Maintenance Organization ("HMO") pursuant to Part I of Chapter 641, 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 HMO pursuant to Part I of Chapter 641, Florida Statutes.
3. APPLICANT is a hybrid model HMO and for-profit organization wholly owned by CHAPTERS CARENU, INC. ("CCI"), a Florida for-profit corporation. CCI is majority owned by CHAPTERS HEALTH SYSTEM, INC. ("CHSI"), a Florida non-profit corporation.

4. APPLICANT has provided a Disclaimer of Control Affidavit for CHSI certifying that, other than the individuals named in the Disclaimer of Control Affidavit, no person associated with CHSI does or will exercise any control, either directly or indirectly, over the activities of APPLICANT, or any entity owned or controlled by APPLICANT and licensed by the OFFICE. Further, no person associated with CHSI, other than the individuals named in the Disclaimer of Control Affidavit, will attempt to exercise any control, either directly or indirectly, over the activities of APPLICANT, or any entity owned or controlled by APPLICANT and licensed by the OFFICE, without the advance written consent of the OFFICE.

5. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, CCI, or CHSI shall cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take 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.

6. The OFFICE has relied upon the representations found in the Plan of Operations and supporting documents that APPLICANT has submitted with its Application. Written approval must be secured from the OFFICE prior to any material deviation from said Plan of Operations. A material deviation includes, but is not limited to, expansion into other service areas, expanding into business other than specified in the Plan of Operations, or exceeding the financial projections filed with the Application.

7. APPLICANT represents that none of its funds or assets are currently pledged, committed, or encumbered and that said funds and assets shall remain free and clear of any and all liens and encumbrances unless prior written approval to pledge, commit, or encumber said funds or assets is obtained from the OFFICE. Additionally, APPLICANT shall not be included as a guarantor of any loan unless prior written approval is obtained from the OFFICE.

8. APPLICANT shall maintain at all times a ratio of premium and risk revenue to capital and surplus not greater than 10:1. APPLICANT, CCI, and CHSI agree that APPLICANT's failure to maintain compliance at all times with this writing ratio requirement would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as the OFFICE 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.

9. APPLICANT has been capitalized with an initial contribution from CHSI and equity investors in the amount of \$16,200,000.00 United States Dollars ("USD"). CHSI represents that subsequent to the OFFICE's approval of this Application, CHSI will provide additional capital to APPLICANT, if needed, to maintain compliance with the requirements of Sections 641.225 and 624.4085, Florida Statutes.

10. The OFFICE has relied upon APPLICANT's projected financial statements filed with the Application. APPLICANT shall be required at all times to maintain capital and surplus as required by Section 641.225, Florida Statutes. APPLICANT, CCI, and CHSI agree that failure to maintain compliance at all times with this capital and surplus requirement would constitute an immediate serious danger to the public and that 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.

11. APPLICANT shall not distribute to its stockholders any dividend payments, cash distributions, or other distributions of assets within 5 years of the issuance of this Consent Order. After the expiration of the 5-year period, any dividend payments, cash distributions, or other distributions of assets by APPLICANT to its stockholders is subject to Section 641.365, Florida Statutes. Any disbursement for tax purposes is considered a dividend payment and must adhere to the requirements of this paragraph.

12. APPLICANT shall file a Risk Based Capital Report with each annual filing beginning with the 2024 annual statement filing with the OFFICE and the National Association of Insurance Commissioners (“NAIC”). Notwithstanding other applicable surplus requirements, APPLICANT agrees that it shall comply with the Risk Based Capital requirements described in Section 624.4085, Florida Statutes.

13. APPLICANT shall file quarterly actuarial certifications with the OFFICE for 1 year, beginning in 2025. The OFFICE may, in its discretion, extend the period of time for which quarterly actuarial certifications must be filed. Each quarterly certification shall be due on the same day that the corresponding quarterly financial statement is due.

14. All quarterly and annual financial statements filed by APPLICANT with the OFFICE shall report all assets in accordance with the NAIC Accounting Practices and Procedures Manual, pursuant to Section 641.183, Florida Statutes.

15. APPLICANT agrees that all material contracts with any affiliates or officer or director of APPLICANT, as defined in Section 641.19(1), Florida Statutes, and all amendments to

such contracts, written or oral, shall be submitted to the OFFICE for approval prior to execution or consummation.

16. APPLICANT represents that it has submitted all agreements related to the ownership or management of APPLICANT and there are no other agreements, written or oral, that have not been provided to the OFFICE.

17. APPLICANT agrees to notify the OFFICE in writing within 5 business days of any change in any agreement referenced in paragraphs 15 and 16 of this Consent Order or any agreement with a reinsurer or third-party administrator.

18. APPLICANT shall notify the OFFICE in writing of any dispute between APPLICANT and any reinsurer, hospital, or third-party administrator, within 10 business days of notice of the dispute to or from the reinsurer, hospital, or third-party administrator.

19. Any amounts due to APPLICANT from a Medical Service Organization as part of a risk sharing agreement shall be non-admitted at all times on all financial statements filed by APPLICANT with the OFFICE.

20. For 3 years from the date of execution of this Consent Order, APPLICANT shall obtain prior written approval from the OFFICE of any plan to appoint or elect a person as an officer or director of APPLICANT who was not an officer or director of APPLICANT at the time this Consent Order is executed. This requirement may be extended by written notice from the OFFICE. Additionally, APPLICANT shall notify the OFFICE within 10 days of any change, including termination or resignation, of any officer or director. APPLICANT agrees that failure to remedy any officer or director vacancy within a timeframe acceptable to the OFFICE would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as the OFFICE 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.

21. APPLICANT shall be subject to a full financial examination each year for the first 3 years of operations.

22. APPLICANT agrees to comply with the provisions of Sections 624.318 and 641.27, Florida Statutes, regarding examinations.

23. APPLICANT will file with the Department of Financial Services, Division of Insurance Fraud, its anti-fraud plan pursuant to Section 641.3915, Florida Statutes. APPLICANT shall continue to maintain an anti-fraud plan that complies with Section 641.3915, Florida Statutes.

24. APPLICANT shall notify the OFFICE within 10 business days of any breach, non-performance of, or default under, any servicing agreement with any reinsurer, affiliates, or third-party vendors providing services, directly or indirectly, to APPLICANT that could result in or cause a material adverse change in the financial condition, business performance, operations, or property of APPLICANT.

25. APPLICANT has provided an acknowledgement as part of its Application that contains the provisions required by Section 641.215, Florida Statutes. In the acknowledgement, APPLICANT:

(a) Acknowledges that a delinquency proceeding pursuant to Part I of Chapter 631, Florida Statutes, or supervision by the OFFICE pursuant to Sections 624.80 through 624.87, Florida Statutes, constitutes the sole and exclusive method for the liquidation, rehabilitation, reorganization, or conservation of a HMO;

(b) Waives any right to file or be subject to a bankruptcy proceeding; and

(c) Acknowledges that the commencement of a bankruptcy proceeding either by or against APPLICANT shall, by operation of law, terminate APPLICANT's Certificate of Authority and vest in the OFFICE, for the use and benefit of the subscribers of APPLICANT, the title to any deposits of APPLICANT held by the Department of Financial Services. The Affidavit and acknowledgments contained therein are material to the issuance of this Consent Order.

26. APPLICANT shall, within 10 business days of the execution of this Consent Order, register with the NAIC.

27. APPLICANT shall file with the OFFICE, via the NAIC electronic filing system, quarterly and annual financial statements in accordance with Section 641.26, Florida Statutes. All statements shall be in the current NAIC Health Blank format.

28. APPLICANT shall not permit any entity to act on its behalf, either directly or indirectly, as an Administrator, as defined in Section 626.88, Florida Statutes, unless that entity is licensed as an Administrator by the OFFICE.

29. APPLICANT shall not enter into any reinsurance or brokerage agreement, whether affiliated or not affiliated, that requires approval from the reinsurer or broker regarding any potential sale of APPLICANT.

30. Beginning in February 2024, APPLICANT shall file with the OFFICE, via the OFFICE's Regulatory Electronic Filing System ("REFS"), monthly financial statements until such time as APPLICANT has filed an annual statement demonstrating profitability. The monthly financial statements are due on or before the 25th day of the month following the period ending date. The monthly financial statements shall include the fully executed Jurat Page, Assets, Liabilities, Capital and Surplus, Statement of Revenues and Expenses, Cash Flow, Exhibit of Premiums, and Enrollment and Utilization. The Statement of Revenues and Expenses and Cash

Flow shall be filed on a cumulative year-to-date basis for monthly statements. All statements shall be in the current NAIC Health Blank format.

31. APPLICANT, CCI, and CHSI affirm that all information, 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, ownership structures, understandings, and control with regard to the licensure and future operations of APPLICANT. APPLICANT, CCI, and CHSI further agree and affirm that said information, 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.

32. 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 approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

33. APPLICANT, CCI, and CHSI affirm that all requirements set forth herein are material to the issuance of this Consent Order.

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

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

36. APPLICANT, CCI, and CHSI agree that, upon execution of this Consent Order, failure to adhere to one or more of the 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.

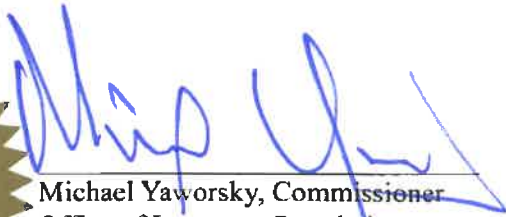
37. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the notarized signatures of the authorized representatives of APPLICANT, CCI, and CHSI.

WHEREFORE, subject to the terms and conditions which are set forth above, the Application for issuance of a Certificate of Authority to SECUR, INC., to transact insurance in Florida as a Health Maintenance Organization, pursuant to Part I of Chapter 641, Florida Statutes, is APPROVED.

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

DONE and ORDERED this 13th day of February, 2024.




Michael Yaworsky, Commissioner
Office of Insurance Regulation

By execution hereof, SECUR, INC., 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 they have the authority to bind SECUR, INC., to the terms and conditions of this Consent Order.

SECUR, INC.

By:

Print Name:

Title:

Date:

Paola Bianchi Delp

Paola Bianchi Delp

CEO

February 12, 2024

[Corporate Seal]

STATE OF Florida
COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 12 day of February 2024, by Paola Bianchi Delp
as CEO for SECUR, INC
(type of authority; e.g., officer, trustee, attorney-in-fact) (company name)



Lisa Mercedes Moore

(Signature of the Notary)
Lisa Mercedes Moore

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____
Type of Identification Produced _____
My Commission Expires: April 6, 2025

By execution hereof, CHAPTERS CARENU, INC., 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 they have the authority to bind CHAPTERS CARENU, INC., to the terms and conditions of this Consent Order.

CHAPTERS CARENU, INC
By: Paula Bianchi Delp
Print Name: Paula Bianchi Delp
Title: President
Date: February 12, 2024

[Corporate Seal]

STATE OF Florida
COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 12 day of February 2024, by Paula Bianchi Delp
as President for Chapters Care Nu, Inc.
(type of authority; e.g., officer, trustee, attorney-in-fact) (name of person) (company name)



Lisa Mercedes Moore
(Signature of the Notary)
Lisa Mercedes Moore
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: April 6, 2025

By execution hereof, CHAPTERS HEALTH SYSTEM, INC., 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 they have the authority to bind CHAPTERS HEALTH SYSTEM, INC., to the terms and conditions of this Consent Order.

CHAPTERS HEALTH SYSTEM, INC.

[Corporate Seal]

By: [Signature]

Print Name: Andrew Molosky

Title: President

Date: February 12, 2024

STATE OF Florida

COUNTY OF Hillsborough

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

or online notarization, this 12 day of February, 2024, by Andrew Molosky

as President for Chapters Health System

(type of authority; e.g., officer, trustee, attorney-in-fact)

(company name)



Lisa Mercedes Moore
(Signature of the Notary)

Lisa Mercedes Moore
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: April 6, 2025

COPIES FURNISHED TO:

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