

RECEIVED
2010 JAN 29 AM 10:44
SECRETARY OF STATE

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,)
Petitioner,)
vs.)
SERVE AMERICA ASSURANCE, LTD.)
Respondent.)

No.: 09-092
12.04-106293J

NOTICE OF HEARING AND RIGHTS OF THE RESPONDENT

YOU ARE ADVISED THAT YOU HAVE THE RIGHT TO A HEARING AS TO ALL MATTERS RAISED IN THE PETITION ATTACHED HERETO. A HEARING ON THIS MATTER WILL BE HELD IN CONFERENCE ROOM A ON THE FIFTH FLOOR OF THE DAVY CROCKETT TOWER, 500 JAMES ROBERTSON PARKWAY, NASHVILLE, TENNESSEE, ON THE 16th DAY OF March, 2010, COMMENCING AT 10:00 O'CLOCK A.M. CENTRAL STANDARD TIME.

YOU ARE FURTHER ADVISED THAT YOU HAVE THE RIGHT TO REQUEST AN INFORMAL CONFERENCE IN ORDER TO PRESENT YOUR VERSION OF THE SITUATION WHICH GIVES RISE TO THE SUMMARY ORDER TO CEASE AND DESIST. IF REQUESTED, THIS INFORMAL CONFERENCE SHALL BE HELD IN THE FIFTH FLOOR CONFERENCE ROOM OF THE DAVY CROCKETT TOWER, 500 JAMES ROBERTSON PARKWAY, NASHVILLE, TENNESSEE, ON THE 9th DAY OF February, 2010, COMMENCING AT 10:30 O'CLOCK A.M. CENTRAL STANDARD TIME. YOUR REQUEST FOR SUCH AN INFORMAL CONFERENCE MUST BE COMMUNICATED IN WRITING PRIOR TO THE CONFERENCE DATE TO:

TONY GREER
ATTORNEY FOR THE INSURANCE DIVISION
SECOND FLOOR, DAVY CROCKETT TOWER
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

BE ADVISED THAT THE SOLE ISSUE TO BE CONSIDERED AT THE INFORMAL CONFERENCE IS WHETHER THE PUBLIC HEALTH, SAFETY OR WELFARE IMPERATIVELY REQUIRED EMERGENCY ACTION IN THIS MATTER.

AT ANY ADMINISTRATIVE HEARING, AND AT ANY SUCH PRELIMINARY PROCEEDING OR MEETING IN THIS MATTER, YOU HAVE THE RIGHT TO BE REPRESENTED BY AN ATTORNEY. YOU AND YOUR ATTORNEY HAVE THE RIGHT TO SUBMIT A WRITTEN RESPONSE TO THE ALLEGATIONS SET FORTH IN THE COMPLAINT. ANY WRITTEN RESPONSE SHOULD BE SENT TO THE ADDRESSES BELOW WITHIN THIRTY (30) DAYS OF RECEIPT OF THIS NOTICE. YOU SHOULD SUBMIT SUCH ANSWER TO:

THE ADMINISTRATIVE PROCEDURES DIVISION
OFFICE OF THE SECRETARY OF STATE
EIGHTH FLOOR, WILLIAM R. SNODGRASS TOWER
312 EIGHTH AVENUE, NORTH
NASHVILLE, TENNESSEE 37243

AND

TONY GREER
ATTORNEY FOR THE INSURANCE DIVISION
SECOND FLOOR, DAVY CROCKETT TOWER
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE**

TENNESSEE INSURANCE DIVISION,)	
Petitioner,)	
)	
vs.)	No.: 09-092
)	12.04-106293J
SERVE AMERICA ASSURANCE, LTD.,)	
Respondent.)	

PETITION

Comes now the Tennessee Insurance Division of the Department of Commerce and Insurance (“Division”), by and through its undersigned counsel, and petitions the Commissioner to issue a Summary Order of Cease and Desist to Serve America Assurance, Ltd. (“Respondent”) pursuant to Tenn. Code Ann. §§ 56-1-101, *et seq.*, the Tennessee Insurance Law (“Tennessee Law”).

JURISDICTION

1. The Tennessee Insurance Law (the “Law”), as amended, places the responsibility of the administration of the Law on the Commissioner of Tennessee Department of Commerce and Insurance (“Commissioner”). Tenn. Code Ann. §§ 56-1-202 and 56-2-101 *et seq.* The Division is the lawful agent through which the Commissioner discharges this responsibility.

PARTIES

2. Serve America Assurance, Ltd. (“Respondent”) is a business entity with the address of P. O. Box 5626, 412-427, 4th Floor, Muhammadi House, I. I. Chundrigar Road, Karachi, Pakistan. Respondent is a wholly owned alien captive insurance company of Beema Insurance Company –

Pakistan. (A copy of the Affidavit of Robert Heisse, evidencing such information, is attached hereto as Exhibit 1 of this Petition and is incorporated herein by reference.)

3. Serve America is not an admitted or authorized insurance company in this State. (A copy of the Affidavit of Bob Ribe, evidencing such information, is attached hereto as Exhibit 2 of this Petition and is incorporated herein by reference.)

FACTUAL ALLEGATIONS

4. On or around July 2008, Respondent began marketing and selling several limited benefit health plans in this state through American Trade Association, LLC (“ATA LLC”), in conjunction with Real Benefits Association (“RBA”), and the internet sites <http://rba-ata.com>, <https://atafirst.com/> and <http://www.healthenroll.net/> and other means in this State. (Affidavit of Robert Heisse, at ¶ 4.)

5. On or around January 2009, the Respondent, through the ATA LLC website, <http://rba-ata.com/>, offered the Limited Medical Plan (“Limited Medical Plan”), a group hospital indemnity insurance plan, underwritten by Respondent, that offered the following benefits:

<u>Base Plan Benefits</u>	Basic	Plus	Premier
Benefit per in-patient confinement in hospital	\$300	\$500	\$1,000
Daily Inpatient Benefit Maximum days per confinement	30 days	30 days	30 days
<u>Optional Benefits</u>			
<u>Outpatient Physician Office</u>			
Benefit per visit per member per calendar year	\$50.00	\$50.00	\$70.00

<u>Visit Indemnity Benefit</u>			
Calendar year maximum per insured	6	6	6
<u>Outpatient Diagnostic,X-Ray</u>			
Benefit per tests daily for tests performed	\$50.00	\$50.00	\$50.00
<u>Lab Indemnity Benefit</u>			
Calendar year max per insured for outpatient tests only	4	4	4
<u>Surgical & Anesthesia Indemnity benefits</u>			
Per benefit amount shown in the Surgical Schedule, based on benefit level chosen for type of surgery performed	\$1,000	\$1,000	\$1,000
Percentage of additional benefit for Anesthesia Administration	20%	20%	20%
<u>In-Hospital Additional Benefit</u>			
Benefit Per Admission per insured	NA	\$500	\$1,000
Maximum additional benefit confinement per year	NA	2	2
<u>Intensive Care Indemnity Benefit</u>			
Per day of confinement in an intensive care room	\$300	\$500	\$1,000
Maximum days per calendar year	30	30	30
<u>Off the Job Accidental Injury Benefit</u>			
Pays actual charges per covered accident, up to the amount			
Maximum benefit of 5 accidents per calendar year per member	\$300	\$500	\$500
<u>Wellness Indemnity Benefit</u>			
Benefit per visit for physical examinations or certain diagnostic	\$50 \$100	\$50	
Maximum visits per calendar year per insured	1	1	1
Well-child visits - 4 visits per calendar year			

for child 0-12 months and 2 visits per calendar			
for child 13-24 months	Included	Included	Included

Emergency Room Sickness Visit

Benefit per visit to the ER	\$50	\$50	\$100
-----------------------------	------	------	-------

Maximum per calendar year per insured	2	2	2
---------------------------------------	---	---	---

Critical Illness Benefit

Benefit per initial diagnosis of a covered critical illness and an additional lump sum benefit of the same amount for a subsequent and separate covered critical illness event	NA	NA	\$5,000/ 50% Spouse/Child
--	----	----	---------------------------------

Daily In-Patient Drug & Alcohol Indemnity Benefit

Benefit per day of confinement if insured is confined as an inpatient in a rehabilitation facility for substance abuse	\$200	\$200	\$300
--	-------	-------	-------

Calendar year maximum (lifetime max \$30,000)	\$10,000	\$10,000	\$10,000
---	----------	----------	----------

Daily Inpatient Mental & Nervous Benefit

Benefit per day of confinement in an insured is confined as an inpatient in a rehabilitation facility for mental and nervous conditions	\$200	\$300	\$300
---	-------	-------	-------

Calendar year maximum (Lifetime max \$30,000)	\$10,000	\$10,000	\$10,000
---	----------	----------	----------

Additional Coverage

Group Term Life Insurance	Member	\$5,000	
Policy with AD&D Rider	Spouse	\$2,500	
	Child	\$2,500 (AD&D coverage is not available on children)	

(Affidavit of Robert Heisse, at ¶ 5.)

6. On or around January 2009, the Respondent, through the ATA LLC website, <http://rba-ata.com/>, offered the Per Occurrence Plans (“Per Occurrence Plans”), a group hospital indemnity insurance plan, underwritten by Respondent, that offered the following benefits:

	\$2,500 Max Per Occurrence	\$5,000 Max Per Occurrence	\$7,500 Max Per Occurrence
<u>Physicians Office</u>			
<u>Visits</u>	\$25 co-pay-\$50	\$25 co-pay-\$70	\$25 co-pay-\$80
Primary, Specialist, Chiropractic Care	Per Visit Benefit	Per Visit Benefit	Per Visit Benefit
<u>ER/Ambulance</u>	\$250 Ded - 80%	\$250 Ded - 80%	\$250 Ded - 90%
<u>Service/</u>	to Maximum Benefit	to Maximum Benefit	to Maximum Benefit
<u>Sickness/Accident</u>			
Deductible Waived if due to Accident or admitted			
<u>Per Occurrence</u>	\$300	\$200	\$200
<u>Deductible</u>			
-No annual limit on occurrences -12 month pre- existing unless proof of current coverage - no pre-ex on office visits or RX			
<u>Hospital in-patient</u>	80% to maximum	80% to maximum	90% to maximum
<u>benefit</u>	Per occurrence Benefit	Per Occurrence Benefit	Per Occurrence Benefit
<u>Physician services</u>	80% to maximum	80% to maximum	90% to maximum
<u>in-patient</u>	Per occurrence	Per Occurrence	Per Occurrence

	Benefit	Benefit	Benefit
<u>In or Outpatient Surgery</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
<u>Additional in-patient only benefit</u> Paid after the per occurrence accident/sickness benefit maximum has been paid and is used only as an in-patient benefit.	\$400 Per Day Up to 30 Days Per Confinement	\$400 Per Day Up to 30 Days Per Confinement	\$400 Per Day Up to 30 Days Per Confinement
<u>Lab/X-Ray/MRI/CT Scans/Diagnostic Tests</u>	80% to maximum Per occurrence Benefit of \$750	80% to maximum Per Occurrence Benefit of \$1,250	90% to maximum Per Occurrence Benefit of \$1,500
<u>Accidental Death Benefit Per Member</u>	\$10,000	\$10,000	\$10,000
<u>Mental Health/Alcohol/ Drug Rehabilitation</u> In-patient Only	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
<u>Other Medical Services</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
Home Health Care Hospice Physical Therapy			

Durable Medical Equipment

<u>Maternity treated as any other Sickness or Illness</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
<u>RX benefits – Express Scripts</u>	Wholesale Rate Less Discount	Wholesale Rate Less Discount	Wholesale Rate Less Discount
50% co-payment for name or generic brand medications up to the maximum per member per year benefit. Express Scripts Discount card after benefits are maxed out for the year.	50/50 Co-Pay \$750 Annual Max	50/50 Co-Pay \$1,250 Annual Max	50/50 Co-Pay \$1,500 Annual Max

Accident Medical Plan - Additional Accident Benefit over health plan benefits - All plans include this benefit. \$1,000 deductible and up to \$25,000 benefit per accident - see policy for details. (Affidavit of Robert Heisse, at ¶ 6.)

7. On or around January 2009, the Respondent, through the ATA LLC website, <http://rba-ata.com/>, offered the Critical Illness Plan (“Critical Illness Plan”), underwritten by Respondent, that offered the following benefits:

**CRITICAL ILLNESS PLAN
UNDERWRITTEN AND INSURED BY
SERVE AMERICA ASSURANCE, LTD
OFFERED TO MEMBERS OF THE
RBA-ATA**

PRODUCT DETAILS

The Critical Illness Plan is available to all members of the RBA-ATA between the ages of 18 and 64. It is written guarantee issue with a twelve (12) month pre-existing period for all policies. The plan may be written on the member only or the member and his legal spouse or a family plan

covering all immediate family members. Children must be under the age of 18 or a full-time student to be eligible until age 24 or their graduation whichever comes first.

The minimum coverage is \$5,000 per member and the maximum is \$25,000 per member. Benefits are payable for specific illnesses and are not a part of any health insurance benefit additionally paid for these illnesses. The benefit is paid a maximum of one time for all covered conditions. There is no death benefit paid. The maximum term of insurance is for ten (10) years.

UNDERWRITING

All policies are written with a twelve month (12) pre-existing exclusionary period from the effective date of the plan. This means that no benefit will be paid for any covered benefit for the first twelve months of the plan if the insured member has been treated for or diagnosed with that particular illness or sickness.

There is an attached height and weight table that must be adhered to. If you do not meet the minimum or maximum height and weight limits then you or your family member not meeting these requirements are not eligible for this plan and coverage will not be written.

The benefits and percentages listed on the attached documents are the only product benefits that will be paid on. If the disease or illness is not listed it will not be a covered benefit.

RBA-ATA Critical Illness

Height and Weight Chart for Critical Illness

Note: If the Proposed Insured's height or weight falls outside of the listed parameters, they are not eligible for the critical illness plan. This includes the Proposed Insured's spouse or children

Height	Minimum Weight	Maximum Weight
4'8"	69	208
4'9"	70	213
4'10"	71	218
4'11"	73	223
5'0"	86	228
5'1"	87	232
5'2"	89	239
5'3"	91	252
5'4"	93	255

5'5"	95	258
5'6"	98	261
5'7"	101	281
5'8"	105	291
5'9"	107	301
5'10"	110	311
5'11"	114	321
6'0"	116	332
6'1"	119	340
6'2"	123	349
6'3"	130	357
6'4"	134	366
6'5"	138	374
6'6"	146	382

**RBA-ATA CRITICAL ILLNESS
PRODUCT BENEFITS**

100% BENEFIT PAID FOR THE FOLLOWING:

Life Threatening Cancer, Heart Attack, Stroke, Major Organ Transplant, Coronary Artery Bypass Surgery, Kidney Failure, Coma, Paralysis or Blindness

75% BENEFIT PAID FOR THE FOLLOWING:

Insured as Diagnosed by a Physician, Has a life expectancy of Twelve Months or Less, Insured is Permanently Confined to a Nursing Home Due to a Non-Correctable Medical Condition

25% BENEFIT PAID FOR THE FOLLOWING:

Benign Brain Tumor, Alzheimer's Disease, HIV Infection From Blood Transfusion, Parkinson's Disease, Aorta Graft Surgery, Heart Valve Replacement or Repair

10% BENEFIT PAID FOR THE FOLLOWING:

Coronary Angioplasty Surgery (payable one time only)

MAXIMUM CRITICAL ILLNESS BENEFIT IS:

The policy's face amount or \$25,000, whichever is lower. Subsequent claims payments, where applicable, will be based on the benefit percentage as listed above. The maximum payout will be

100% of the total critical illness benefit one time. The Policy terminates after the maximum benefit is paid. Benefits paid after a thirty day waiting period unless the twelve month pre-existing exclusion period precedes the claim benefit. There is no death benefit paid on this Policy.

RBA-ATA CRITICAL ILLNESS PRODUCT EXCLUSIONS

THE FOLLOWING EXCLUSIONS APPLY TO THIS POLICY:

If the Insured has been diagnosed or treated for a particular condition within the past twelve (12) months then that condition is excluded for twelve months (12) from the effective date of the Policy. No benefit would be paid in the event of a claim being filed for that condition. There is a thirty day (30) waiting period before any benefit would be paid on all conditions.

THE CRITICAL ILLNESS BENEFIT WILL NOT BE PAYABLE IF THE LOSS RESULTS FROM THE FOLLOWING:

1. Intentionally self-inflicted injuries, while sane or insane (In MO, while sane; in SC, suicide, sane or insane, attempted suicide or intentionally self-inflicted injury; or
2. Alcohol or drug abuse (unless drug abuse was a result of the administration of drugs as part of a treatment by a doctor); in SC, alcohol, or drug addiction; or
3. Committing or attempting to commit a felony (in SC, participating in a felony); or
4. War (declared or undeclared) or any act of war, or service in any armed forces (in OK any war or any act of war, declared or undeclared, while serving in the military forces or any auxiliary unit attached thereto); or
5. Engaging in an illegal occupation (Except in SC); or
6. Participating in a riot or insurrection; or
7. Injury sustained while taking part in any of the following activities: *
 - a. Amateur or Professional Sports or athletics, except for amateur sports or athletics which are non contact and undertaken solely for the leisure, recreational, entertainment or fitness purposes;
 - b. Mountaineering where ropes or guides are normally used or at elevations of 4,500 meters or above;
 - c. Aviation, except when traveling solely as a fare paying passenger in a commercial aircraft;
 - d. Hang gliding, sky diving, parachuting or bungee jumping;
 - e. Snow skiing or snowboarding, except for recreational downhill skiing or cross country snow skiing or snowboarding on prepared and marked boundaries and/or against the advice of the local ski school or local authoritative body;
 - f. Racing by any animal or motorized vehicle
 - g. Spelunking;

- h. Operating or riding in or upon, mounting or alighting from, any two, three or four wheeled motor/engine driven snowmobile or all terrain vehicle (ATV);
* *Exclusion 7 applies only to the Critical Illness conditions of Paralysis, Blindness or Coma*

TAX TREATMENT: The payment of an accelerated benefit may be taxable. A personal tax advisor should be consulted to obtain information about the income tax effect on any accelerated benefits. (Affidavit of Robert Heisse, at ¶ 7.)

8. On or before March 2009, the Respondent, through ATA LLC, began marketing and selling the Limited Medical Plan, the Per Occurrence Plan and the Critical Illness Plan through various internet sites including, but not limited to, www.premierhealthcareonline.com, www.myatabenefit.com, www.prosperitypreparedness.com, www.healthtoday.biz, www.pinnaclehealthsavings.com and www.ehealthgreen.com, and other means in this State. (Affidavit of Robert Heisse, at ¶ 8.)

9. In or around August 2009, the Respondent, through American Trade Association, Inc. (“ATA Inc.”), began marketing and selling the Limited Medical Plan, the Per Occurrence Plan and the Critical Illness Plan to its members in this State. The limited benefit health plans indemnified members of ATA Inc. against loss up to a maximum amount stated in the policy. The limited health benefits, which are underwritten by Respondent, are offered through a group insurance provided to ATA Inc. (Affidavit of Robert Heisse, at ¶ 9.)

10. As of December 2009, neither Respondent, ATA LLC, ATA Inc. nor RBA is licensed to issue policies of insurance in the State of Tennessee, or any other state, as an insurance company and none have a licensed insurance company underwriting the limited benefit health plans offered in this State. (Affidavit of Bob Ribe, at ¶ 4.)

CAUSE OF ACTION

11. Tenn. Code Ann. § 56-2-102 provides, in pertinent part, that “[n]o domestic insurance company or foreign insurance company shall commence business in this state until it...has received from the commissioner a certificate of authority to do business.”

12. Tenn. Code Ann. § 56-2-105 provides, in pertinent part, that “[i]t is unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state without a certificate of authority from the commissioner.”

13. Tenn. Code Ann. § 56-2-107 provides, in pertinent part, that the solicitation of applications for contracts of insurance, effected by mail or otherwise, is to be considered to be among those acts deemed to constitute transacting insurance business in this state.

14. Tenn. Code Ann. § 56-2-201(1) defines accident and health insurance, in pertinent part, as “insurance against bodily injury, disablement or death, by accident or accidental means, or the expense of bodily injury, disablement or death, against disablement or expense resulting from sickness, and every insurance pertaining thereto.”

15. Tenn. Code Ann. § 56-7-101(a) defines a contract of insurance, in pertinent part, as “an agreement by which one party, for a consideration, promises to pay money or its equivalent, or to do some act of value to the assured, upon the destruction or injury, loss or damage of something in which the other party has an insurable interest; and it is unlawful for any company to make any contract of insurance upon or concerning any property or interests or lives in this state, or with any resident of this state, or for any person, as insurance agent or insurance broker, to make, negotiate,

solicit, or in any manner aid in the transaction of the insurance, unless and except as authorized under this title.”

16. Tenn. Code Ann. § 56-2-302 provides, in pertinent part, that whenever the Commissioner determines that a company is violating or about to violate the provisions of Tenn. Code Ann. § 56-2-105, the Commissioner may issue a notice of hearing and charges requiring the company to show cause why an order should not issue requiring the entity to cease and desist the unauthorized business of insurance in this state.

17. Tenn. Code Ann. § 56-2-304 provides, in pertinent part, that if the Commissioner finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in an order, a summary cease and desist order may be issued pending proceedings for other actions under this Title 56, Chapter 2, Part 3 and that these proceedings shall be promptly instituted and determined.

18. Tenn. Code Ann. § 56-2-108(a) provides that “[a]ny company that violates Tenn. Code Ann. § 56-2-105 is subject to a fine and/or civil penalty of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000) for each violation.”

COUNT ONE

19. The Division restates the facts set forth in Paragraphs 1-10, above, and incorporates them by reference herein.

20. Tenn. Code Ann. § 56-2-105 makes it unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state without a certificate of authority from the commissioner.

21. The Factual Allegations, above, demonstrate that Respondent is violating Tenn. Code Ann. § 56-2-105 by engaging in the business of insurance in this state without a certificate of authority issued by the Commissioner. Such violation subjects Respondent to the sanctions provided in both Tenn. Code Ann. § 56-2-302 and Tenn. Code Ann. § 56-2-108.

22. Because Respondent is operating without a certificate of authority, individuals who purchase insurance from it face serious risks. The underwriting of insurance by the Respondent without any substantive regulatory oversight to ensure lawful policy forms, rates, claims handling and, most importantly, the financial solvency of the Respondent leaves those policyholders in danger. If an insurer does not have adequate reserves to cover its liabilities, many policyholders may be effectively without insurance coverage. These drastic contingencies necessitate the Division's petition for summary relief in this case. Since the policyholders of the Respondent are entitled to all of the protections that insurance regulation provides, the public health, safety, or welfare imperatively require emergency action requested in the Division's prayer.

WHEREFORE, PREMISES CONSIDERED, the Division requests the following relief:

1. That an Order to Cease and Desist be issued against the Respondent to prevent the Respondent from further violations of Tenn. Code Ann. §§ 56-2-102 and 56-2-105 by engaging in the business of insurance in this state as an insurance company without a certificate of authority issued by the Commissioner; and

2. That the Commissioner, pursuant to Tenn. Code Ann. § 56-2-304(c), issue a Summary Order to Cease and Desist against the Respondent while such violations of Tenn. Code Ann. §§ 56-2-102 and 56-2-105 continues.

3. That the Commissioner set a date for an informal conference, pursuant to Tenn. Code Ann. § 4-5-320(d), and set a date for a hearing;

4. That if such order is contested, as set forth under the provisions of the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and the rules promulgated thereunder, the Petitioner be awarded such costs as may be taxable; and

5. For such other relief as the Commissioner may deem just and proper.

Respectfully submitted,



Tony Greer (BPR#023657)
Assistant General Counsel
Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, 2nd Floor
Nashville, Tennessee 37243
615 741 2199

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,)
Petitioner,)
)
vs.)
)
SERVE AMERICA ASSURANCE, LTD.,)
Respondent.)

AFFIDAVIT

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, Robert Heisse, having first been duly sworn, do depose and, upon information and belief, state the following:

1. I currently serve as a fraud investigator for the Tennessee Insurance Division (hereinafter referred to as the "Division"), a position I have held for four years.

2. In my position as a fraud investigator, I am charged with investigating complaints of alleged violations of the Tennessee Insurance Law.

3. Serve America Assurance, Ltd. ("Respondent") is a business entity with the address of P. O. Box 5626, 412-427, 4th Floor, Muhammadi House, I. I. Chundrigar Road, Karachi, Pakistan. Respondent is a wholly owned alien captive insurance company of Beema Insurance Company – Pakistan.

4. On or around July 2008, Respondent began marketing and selling several limited benefit health plans in this state through American Trade Association, LLC ("ATA LLC"), in conjunction with Real Benefits Association ("RBA"), and the internet sites <http://rba-ata.com>, <https://atafirst.com/> and <http://www.healthenroll.net/> and other means in this State.

5. On or around January 2009, the Respondent, through the ATA LLC website, <http://rba-ata.com/>, offered the Limited Medical Plan (“Limited Medical Plan”), a group hospital indemnity insurance plan, underwritten by Respondent, that offered the following benefits:

<u>Base Plan Benefits</u>	Basic	Plus	Premier
Benefit per in-patient confinement in hospital	\$300	\$500	\$1,000
Daily Inpatient Benefit Maximum days per confinement	30 days	30 days	30 days

Optional Benefits

Outpatient Physician Office

Benefit per visit per member per calendar year	\$50.00	\$50.00	\$70.00
--	---------	---------	---------

Visit Indemnity Benefit

Calendar year maximum per insured	6	6	6
-----------------------------------	---	---	---

Outpatient Diagnostic X-Ray

Benefit per tests daily for tests performed	\$50.00	\$50.00	\$50.00
---	---------	---------	---------

Lab Indemnity Benefit

Calendar year max per insured for outpatient tests only	4	4	4
---	---	---	---

Surgical & Anesthesia Indemnity benefits

Per benefit amount shown in the Surgical Schedule, based on benefit level chosen for type of surgery performed	\$1,000	\$1,000	\$1,000
--	---------	---------	---------

Percentage of additional benefit for Anesthesia Administration	20%	20%	20%
--	-----	-----	-----

In-Hospital Additional Benefit

Benefit Per Admission per insured	NA	\$500	\$1,000
-----------------------------------	----	-------	---------

Maximum additional benefit confinement per year	NA	2	2
---	----	---	---

Intensive Care Indemnity Benefit

Per day of confinement in an intensive care room	\$300	\$500	\$1,000
--	-------	-------	---------

Maximum days per calendar year	30	30	30
--------------------------------	----	----	----

Off the Job Accidental Injury Benefit

Pays actual charges per covered accident, up to the amount

Maximum benefit of 5 accidents per calendar year per member	\$300	\$500	\$500
---	-------	-------	-------

Wellness Indemnity Benefit

Benefit per visit for physical examinations or certain diagnostic

\$50	\$50	
\$100		

Maximum visits per calendar year per insured	1	1	1
--	---	---	---

Well-child visits - 4 visits per calendar year for child 0-12 months and 2 visits per calendar for child 13-24 months

Included	Included	Included
----------	----------	----------

Emergency Room Sickness Visit

Benefit per visit to the ER

\$50	\$50	\$100
------	------	-------

Maximum per calendar year per insured	2	2	2
---------------------------------------	---	---	---

Critical Illness Benefit

Benefit per initial diagnosis of a covered critical illness and an additional lump sum benefit of the same amount for a subsequent and separate covered critical illness event

NA	NA	\$5,000/ 50% Spouse/Child
----	----	---------------------------------

Daily In-Patient Drug & Alcohol Indemnity Benefit

Benefit per day of confinement if insured is confined as an inpatient in a rehabilitation facility for substance abuse

\$200	\$200	\$300
-------	-------	-------

Calendar year maximum (lifetime max \$30,000)	\$10,000	\$10,000	\$10,000
---	----------	----------	----------

Daily Inpatient Mental & Nervous Benefit

Benefit per day of confinement in an insured is confined as an inpatient in a rehabilitation facility for mental and nervous conditions	\$200	\$300	\$300
Calendar year maximum (Lifetime max \$30,000)	\$10,000	\$10,000	\$10,000

Additional Coverage

Group Term Life Insurance	Member	\$5,000
Policy with AD&D Rider	Spouse	\$2,500
	Child	\$2,500 (AD&D coverage is not available on children)

6. On or around January 2009, the Respondent, through the ATA LLC website, <http://rba-ata.com/>, offered the Per Occurrence Plans ("Per Occurrence Plans"), a group hospital indemnity insurance plan, underwritten by Respondent, that offered the following benefits:

\$2,500	\$5,000	\$7,500
Max Per Occurrence	Max Per Occurrence	Max Per Occurrence

Physicians Office

<u>Visits</u>	\$25 co-pay-\$50	\$25 co-pay-\$70	\$25 co-pay-\$80
Primary, Specialist, Chiropractic Care	Per Visit Benefit	Per Visit Benefit	Per Visit Benefit

<u>ER/Ambulance Service/Sickness/Accident</u>	\$250 Ded - 80% to Maximum Benefit	\$250 Ded - 80% to Maximum Benefit	\$250 Ded - 90% to Maximum Benefit
Deductible Waived if due to Accident or admitted			

<u>Per Occurrence Deductible</u>	\$300	\$200	\$200
-No annual limit on occurrences			
-12 month pre-existing unless proof of current coverage			

- no pre-ex on
office visits
or RX

<u>Hospital in-patient benefit</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
------------------------------------	---	---	---

<u>Physician services in-patient</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
--------------------------------------	---	---	---

<u>In or Outpatient Surgery</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
---------------------------------	---	---	---

<u>Additional in-patient only benefit</u> Paid after the per occurrence accident/sickness benefit maximum has been paid and is used only as an in-patient benefit.	\$400 Per Day Up to 30 Days Per Confinement	\$400 Per Day Up to 30 Days Per Confinement	\$400 Per Day Up to 30 Days Per Confinement
---	--	--	--

<u>Lab/X-Ray/MRI/CT Scans/Diagnostic Tests</u>	80% to maximum Per occurrence Benefit of \$750	80% to maximum Per Occurrence Benefit of \$1,250	90% to maximum Per Occurrence Benefit of \$1,500
--	---	---	---

<u>Accidental Death Benefit Per Member</u>	\$10,000	\$10,000	\$10,000
--	----------	----------	----------

<u>Mental Health/Alcohol/ Drug Rehabilitation</u> In-patient Only	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
--	---	---	---

<u>Other Medical Services</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
-------------------------------	---	---	---

Home Health Care
Hospice
Physical Therapy
Durable Medical Equipment

<u>Maternity treated as any other Sickness or Illness</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
---	---	---	---

<u>RX benefits – Express Scripts</u>	Wholesale Rate Less Discount	Wholesale Rate Less Discount	Wholesale Rate Less Discount
50% co-payment for name or generic brand medications up to the maximum per member per year benefit.	50/50 Co-Pay \$750 Annual Max	50/50 Co-Pay \$1,250 Annual Max	50/50 Co-Pay \$1,500 Annual Max
Express Scripts Discount card after benefits are maxed out for the year.			

Accident Medical Plan - Additional Accident Benefit over health plan benefits - All plans include this benefit. \$1,000 deductible and up to \$25,000 benefit per accident - see policy for details.

7. On or around January 2009, the Respondent, through the ATA LLC website, <http://rba-ata.com/>, offered the Critical Illness Plan (“Critical Illness Plan”), underwritten by Respondent, that offered the following benefits:

**CRITICAL ILLNESS PLAN
UNDERWRITTEN AND INSURED BY
SERVE AMERICA ASSURANCE, LTD
OFFERED TO MEMBERS OF THE
RBA-ATA**

PRODUCT DETAILS

The Critical Illness Plan is available to all members of the RBA-ATA between the ages of 18 and 64. It is written guarantee issue with a twelve (12) month pre-existing period for all policies. The plan may be written on the member only or the member and his legal spouse or a family plan covering all immediate family members. Children must be under the age of 18 or a full-time student to be eligible until age 24 or their graduation whichever comes first.

The minimum coverage is \$5,000 per member and the maximum is \$25,000 per member. Benefits are payable for specific illnesses and are not a part of any health insurance benefit additionally paid for these illnesses. The benefit is paid a maximum of one time for all covered conditions. There is no death benefit paid. The maximum term of insurance is for ten (10) years.

UNDERWRITING

All policies are written with a twelve month (12) pre-existing exclusionary period from the effective date of the plan. This means that no benefit will be paid for any covered benefit for the first twelve months of the plan if the insured member has been treated for or diagnosed with that particular illness or sickness.

There is an attached height and weight table that must be adhered to. If you do not meet the minimum or maximum height and weight limits then you or your family member not meeting these requirements are not eligible for this plan and coverage will not be written.

The benefits and percentages listed on the attached documents are the only product benefits that will be paid on. If the disease or illness is not listed it will not be a covered benefit.

RBA-ATA Critical Illness

Height and Weight Chart for Critical Illness

Note: If the Proposed Insured's height or weight falls outside of the listed parameters, they are not eligible for the critical illness plan. This includes the Proposed Insured's spouse or children

Height	Minimum Weight	Maximum Weight
4'8"	69	208
4'9"	70	213
4'10"	71	218
4'11"	73	223
5'0"	86	228
5'1"	87	232

5'2"	89	239
5'3"	91	252
5'4"	93	255
5'5"	95	258
5'6"	98	261
5'7"	101	281
5'8"	105	291
5'9"	107	301
5'10"	110	311
5'11"	114	321
6'0"	116	332
6'1"	119	340
6'2"	123	349
6'3"	130	357
6'4"	134	366
6'5"	138	374
6'6"	146	382

**RBA-ATA CRITICAL ILLNESS
PRODUCT BENEFITS**

100% BENEFIT PAID FOR THE FOLLOWING:

Life Threatening Cancer, Heart Attack, Stroke, Major Organ Transplant, Coronary Artery Bypass Surgery, Kidney Failure, Coma, Paralysis or Blindness

75% BENEFIT PAID FOR THE FOLLOWING:

Insured as Diagnosed by a Physician, Has a life expectancy of Twelve Months or Less, Insured is Permanently Confined to a Nursing Home Due to a Non-Correctable Medical Condition

25% BENEFIT PAID FOR THE FOLLOWING:

Benign Brain Tumor, Alzheimer's Disease, HIV Infection From Blood Transfusion, Parkinson's Disease, Aorta Graft Surgery, Heart Valve Replacement or Repair

10% BENEFIT PAID FOR THE FOLLOWING:

Coronary Angioplasty Surgery (payable one time only)

MAXIMUM CRITICAL ILLNESS BENEFIT IS:

The policy's face amount or \$25,000, whichever is lower. Subsequent claims payments, where applicable, will be based on the benefit percentage as listed above. The maximum payout will be 100% of the total critical illness benefit one time. The Policy terminates after the maximum benefit is paid. Benefits paid after a thirty day waiting period unless the twelve month pre-existing exclusion period precedes the claim benefit. There is no death benefit paid on this Policy.

RBA-ATA CRITICAL ILLNESS PRODUCT EXCLUSIONS

THE FOLLOWING EXCLUSIONS APPLY TO THIS POLICY:

If the Insured has been diagnosed or treated for a particular condition within the past twelve (12) months then that condition is excluded for twelve months (12) from the effective date of the Policy. No benefit would be paid in the event of a claim being filed for that condition. There is a thirty day (30) waiting period before any benefit would be paid on all conditions.

THE CRITICAL ILLNESS BENEFIT WILL NOT BE PAYABLE IF THE LOSS RESULTS FROM THE FOLLOWING:

1. Intentionally self-inflicted injuries, while sane or insane (In MO, while sane; in SC, suicide, sane or insane, attempted suicide or intentionally self-inflicted injury); or
2. Alcohol or drug abuse (unless drug abuse was a result of the administration of drugs as part of a treatment by a doctor); in SC, alcohol, or drug addiction; or
3. Committing or attempting to commit a felony (in SC, participating in a felony); or
4. War (declared or undeclared) or any act of war, or service in any armed forces (in OK any war or any act of war, declared or undeclared, while serving in the military forces or any auxiliary unit attached thereto); or
5. Engaging in an illegal occupation (Except in SC); or
6. Participating in a riot or insurrection; or
7. Injury sustained while taking part in any of the following activities: *
 - a. Amateur or Professional Sports or athletics, except for amateur sports or athletics which are non contact and undertaken solely for the leisure, recreational, entertainment or fitness purposes;
 - b. Mountaineering where ropes or guides are normally used or at elevations of 4,500 meters or above;
 - c. Aviation, except when traveling solely as a fare paying passenger in a commercial aircraft;
 - d. Hang gliding, sky diving, parachuting or bungee jumping;
 - e. Snow skiing or snowboarding, except for recreational downhill skiing or cross country snow skiing or snowboarding on prepared and marked boundaries and/or against the advice of the local ski school or local authoritative body;
 - f. Racing by any animal or motorized vehicle
 - g. Spelunking;

- h. Operating or riding in or upon, mounting or alighting from, any two, three or four wheeled motor/engine driven snowmobile or all terrain vehicle (ATV);
** Exclusion 7 applies only to the Critical Illness conditions of Paralysis, Blindness or Coma*

TAX TREATMENT: The payment of an accelerated benefit may be taxable. A personal tax advisor should be consulted to obtain information about the income tax effect on any accelerated benefits.

8. On or before March 2009, the Respondent, through ATA LLC, began marketing and selling the Limited Medical Plan, the Per Occurrence Plan and the Critical Illness Plan through various internet sites including, but not limited to, www.premierhealthcareonline.com, www.myatabenefit.com, www.prosperitypreparedness.com, www.healthtoday.biz, www.pinnaclehealthsavings.com and www.ehealthgreen.com, and other means in this State.

9. In or around August 2009, the Respondent, through American Trade Association, Inc. ("ATA Inc."), began marketing and selling the Limited Medical Plan, the Per Occurrence Plan and the Critical Illness Plan to its members in this State. The limited benefit health plans indemnified members of ATA Inc. against loss up to a maximum amount stated in the policy. The limited health benefits, which are underwritten by Respondent, are offered through a group insurance provided to ATA Inc.

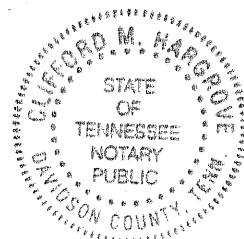
FURTHER AFFIANT SAITH NOT.

Robert Heisse
Robert Heisse

SWORN TO AND SUBSCRIBED before me on this 22nd day of January, ~~2009~~ 2010

[Signature]
Notary Public

My Commission Expires: 7/05/2011



My Commission Expires JULY 5, 2011

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,)
Petitioner,)
)
vs.)
)
SERVE AMERICA ASSURANCE, LTD.,)
Respondent.)

AFFIDAVIT

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, Bob Ribe, having first been duly sworn, do depose and, upon information and belief, state the following:

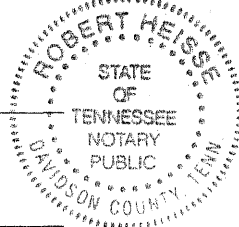
1. I currently serve as Chief Analyst for the Tennessee Insurance Division (hereinafter referred to as the "Division"), a position I have held for about six years.
2. In my position as Chief Analyst, I have custody and control of the records of the Financial Affairs Section. Such records indicate whether an entity has a certificate of authority to issue insurance in the State of Tennessee or an entity is licensed as an administrator in the State of Tennessee.
3. Serve America Assurance, Ltd. is not an admitted or authorized insurance company in this State.
4. As of December 2009, neither American Trade Association, LLC, American Trade Association, Inc., nor Real Benefits Association is licensed to issue policies of insurance in the State of Tennessee, or any other state, as an insurance company and none have a licensed insurance company underwriting the limited benefit health plans offered in this State.

FURTHER AFFIANT SAITH NOT.

Bob J Ribe
Bob Ribe

SWORN TO AND SUBSCRIBED before me on this 22nd day of January, ~~2009~~ 2010

Robert Heisse
Notary Public



My Commission Expires: 7/5/2011

My Commission Expires JULY 5, 2011

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE**

TENNESSEE INSURANCE DIVISION,
Petitioner,

vs.

SERVE AMERICA ASSURANCE, LTD.,
Respondents.

)
)
)
)
)
)
)

No.: 09-092
12.04-106293J

SUMMARY ORDER TO CEASE AND DESIST

This Order issues as a result of a Petition hereto filed by the Tennessee Insurance Division of the Department of Commerce and Insurance (“Division”) and is predicated upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Tennessee Insurance Law (the “Law”), as amended, places the responsibility of the administration of the Law on the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”). Tenn. Code Ann. §§ 56-1-202 and 56-2-101 *et seq.* The Division is the lawful agent through which the Commissioner discharges this responsibility.

2. Serve America Assurance, Ltd. (“Respondent”) is a business entity with the address of P. O. Box 5626, 412-427, 4th Floor, Muhammadi House, I. I. Chundrigar Road, Karachi, Pakistan. Respondent is a wholly owned alien captive insurance company of Beema Insurance Company – Pakistan.

3. Serve America is not an admitted or authorized insurance company in this State.

FACTUAL ALLEGATIONS

4. On or around July 2008, Respondent began marketing and selling several limited benefit health plans in this state through American Trade Association, LLC (“ATA LLC”), in conjunction with Real Benefits Association (“RBA”), utilizing the internet sites <http://rba-ata.com>, <https://atafirst.com/> and <http://www.healthenroll.net/> as well as other means in this State.

5. On or around January 2009, the respondent, through the ATA LLC website, <http://rba-ata.com/>, offered the Limited Medical Plan (“Limited Medical Plan”), a group hospital indemnity insurance plan, underwritten by Respondent, that offered the following benefits:

<u>Base Plan Benefits</u>	Basic	Plus	Premier
Benefit per in-patient confinement in hospital	\$300	\$500	\$1,000
Daily Inpatient Benefit Maximum days per confinement	30 days	30 days	30 days
 <u>Optional Benefits</u>			
<u>Outpatient Physician Office</u>			
Benefit per visit per member per calendar year	\$50.00	\$50.00	\$70.00
<u>Visit Indemnity Benefit</u>			
Calendar year maximum per insured	6	6	6
<u>Outpatient Diagnostic X-Ray</u>			
Benefit per tests daily for tests performed	\$50.00	\$50.00	\$50.00
<u>Lab Indemnity Benefit</u>			
Calendar year max per insured for outpatient tests only	4	4	4

<u>Surgical & Anesthesia Indemnity benefits</u>			
Per benefit amount shown in the Surgical Schedule, based on benefit level chosen for type of surgery performed	\$1,000	\$1,000	\$1,000
Percentage of additional benefit for Anesthesia Administration	20%	20%	20%
<u>In-Hospital Additional Benefit</u>			
Benefit Per Admission per insured	NA	\$500	\$1,000
Maximum additional benefit confinement per year	NA	2	2
<u>Intensive Care Indemnity Benefit</u>			
Per day of confinement in an intensive care room	\$300	\$500	\$1,000
Maximum days per calendar year	30	30	30
<u>Off the Job Accidental Injury Benefit</u>			
Pays actual charges per covered accident, up to the amount			
Maximum benefit of 5 accidents per calendar year per member	\$300	\$500	\$500
<u>Wellness Indemnity Benefit</u>			
Benefit per visit for physical examinations or certain diagnostic	\$50 \$100	\$50	
Maximum visits per calendar year per insured	1	1	1
Well-child visits - 4 visits per calendar year for child 0-12 months and 2 visits per calendar for child 13-24 months	Included	Included	Included
<u>Emergency Room Sickness Visit</u>			
Benefit per visit to the ER	\$50	\$50	\$100
Maximum per calendar year per insured	2	2	2

Critical Illness Benefit

Benefit per initial diagnosis of a covered critical illness and an additional lump sum benefit of the same amount for a subsequent and separate covered critical illness event	NA	NA	\$5,000/ 50% Spouse/Child
--	----	----	---------------------------------

Daily In-Patient Drug & Alcohol Indemnity Benefit

Benefit per day of confinement if insured is confined as an inpatient in a rehabilitation facility for substance abuse	\$200	\$200	\$300
--	-------	-------	-------

Calendar year maximum (lifetime max \$30,000)	\$10,000	\$10,000	\$10,000
---	----------	----------	----------

Daily Inpatient Mental & Nervous Benefit

Benefit per day of confinement in an insured is confined as an inpatient in a rehabilitation facility for mental and nervous conditions	\$200	\$300	\$300
---	-------	-------	-------

Calendar year maximum (Lifetime max \$30,000)	\$10,000	\$10,000	\$10,000
---	----------	----------	----------

Additional Coverage

Group Term Life Insurance Policy with AD&D Rider	Member	\$5,000
	Spouse	\$2,500
	Child	\$2,500 (AD&D coverage is not available on children)

6. On or around January 2009, the Respondent, through the ATA LLC website, <http://rba-ata.com/>, offered the Per Occurrence Plans (“Per Occurrence Plans”), a group hospital indemnity insurance plan, underwritten by Respondent, that offered the following benefits:

	\$2,500	\$5,000	\$7,500
	Max Per Occurrence	Max Per Occurrence	Max Per Occurrence

Physicians Office

<u>Visits</u>	\$25 co-pay-\$50	\$25 co-pay-\$70	\$25 co-pay-\$80
Primary, Specialist, Chiropractic Care	Per Visit Benefit	Per Visit Benefit	Per Visit Benefit

<u>ER/Ambulance Service/</u> <u>Sickness/Accident</u>	\$250 Ded - 80%	\$250 Ded - 80%	\$250 Ded - 90%
Deductible Waived if due to Accident or admitted	to Maximum Benefit	to Maximum Benefit	to Maximum Benefit

<u>Per Occurrence Deductible</u>	\$300	\$200	\$200
-No annual limit on occurrences -12 month pre- existing unless proof of current coverage - no pre-ex on office visits or RX			

<u>Hospital in-patient benefit</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
------------------------------------	---	---	---

<u>Physician services in-patient</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
--------------------------------------	---	---	---

<u>In or Outpatient Surgery</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
---------------------------------	---	---	---

<u>Additional in-patient only benefit</u> Paid after the per occurrence accident/sickness benefit maximum has been paid and is used only as an in-patient benefit.	\$400 Per Day Up to 30 Days Per Confinement	\$400 Per Day Up to 30 Days Per Confinement	\$400 Per Day Up to 30 Days Per Confinement
---	--	--	--

<u>Lab/X-Ray/MRI/CT Scans/Diagnostic Tests</u>	80% to maximum Per occurrence Benefit of \$750	80% to maximum Per Occurrence Benefit of \$1,250	90% to maximum Per Occurrence Benefit of \$1,500
--	---	---	---

<u>Accidental Death Benefit Per Member</u>	\$10,000	\$10,000	\$10,000
--	----------	----------	----------

<u>Mental Health/Alcohol/ Drug Rehabilitation</u> In-patient Only	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
--	---	---	---

<u>Other Medical Services</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
-------------------------------	---	---	---

Home Health Care
Hospice
Physical Therapy
Durable Medical Equipment

<u>Maternity treated as any other Sickness or Illness</u>	80% to maximum Per occurrence Benefit	80% to maximum Per Occurrence Benefit	90% to maximum Per Occurrence Benefit
---	---	---	---

<u>RX benefits –</u>	Wholesale Rate	Wholesale Rate	Wholesale Rate
<u>Express Scripts</u>	Less Discount	Less Discount	Less Discount
50% co-payment	50/50 Co-Pay	50/50 Co-Pay	50/50 Co-Pay
for name or	\$750 Annual Max	\$1,250 Annual Max	\$1,500 Annual Max
generic brand			
medications up			
to the maximum			
per member per			
year benefit.			
Express Scripts			
Discount card			
after benefits are			
maxed out for the			
year.			

Accident Medical Plan - Additional Accident Benefit over health plan benefits - All plans include this benefit. \$1,000 deductible and up to \$25,000 benefit per accident - see policy for details.

7. On or around January 2009, the Respondent, through the ATA LLC website, <http://rba-ata.com/>, offered the Critical Illness Plan (“Critical Illness Plan”), underwritten by Respondent, that offered the following benefits:

**CRITICAL ILLNESS PLAN
UNDERWRITTEN AND INSURED BY
SERVE AMERICA ASSURANCE, LTD
OFFERED TO MEMBERS OF THE
RBA-ATA**

PRODUCT DETAILS

The Critical Illness Plan is available to all members of the RBA-ATA between the ages of 18 and 64. It is written guarantee issue with a twelve (12) month pre-existing period for all policies. The plan may be written on the member only or the member and his legal spouse or a family plan covering all immediate family members. Children must be under the age of 18 or a full-time student to be eligible until age 24 or their graduation whichever comes first.

The minimum coverage is \$5,000 per member and the maximum is \$25,000 per member. Benefits are payable for specific illnesses and are not a part of any health insurance benefit additionally paid for these illnesses. The benefit is paid a maximum of one time for all covered conditions. There is no death benefit paid. The maximum term of insurance is for ten (10) years.

UNDERWRITING

All policies are written with a twelve month (12) pre-existing exclusionary period from the effective date of the plan. This means that no benefit will be paid for any covered benefit for the first twelve months of the plan if the insured member has been treated for or diagnosed with that particular illness or sickness.

There is an attached height and weight table that must be adhered to. If you do not meet the minimum or maximum height and weight limits then you or your family member not meeting these requirements are not eligible for this plan and coverage will not be written.

The benefits and percentages listed on the attached documents are the only product benefits that will be paid on. If the disease or illness is not listed it will not be a covered benefit.

RBA-ATA Critical Illness

Height and Weight Chart for Critical Illness

Note: If the Proposed Insured's height or weight falls outside of the listed parameters, they are not eligible for the critical illness plan. This includes the Proposed Insured's spouse or children

Height	Minimum Weight	Maximum Weight
4'8"	69	208
4'9"	70	213
4'10"	71	218
4'11"	73	223
5'0"	86	228
5'1"	87	232
5'2"	89	239
5'3"	91	252
5'4"	93	255
5'5"	95	258
5'6"	98	261
5'7"	101	281
5'8"	105	291
5'9"	107	301
5'10"	110	311
5'11"	114	321
6'0"	116	332

6'1"	119	340
6'2"	123	349
6'3"	130	357
6'4"	134	366
6'5"	138	374
6'6"	146	382

**RBA-ATA CRITICAL ILLNESS
PRODUCT BENEFITS**

100% BENEFIT PAID FOR THE FOLLOWING:

Life Threatening Cancer, Heart Attack, Stroke, Major Organ Transplant, Coronary Artery Bypass Surgery, Kidney Failure, Coma, Paralysis or Blindness

75% BENEFIT PAID FOR THE FOLLOWING:

Insured as Diagnosed by a Physician, Has a life expectancy of Twelve Months or Less, Insured is Permanently Confined to a Nursing Home Due to a Non-Correctable Medical Condition

25% BENEFIT PAID FOR THE FOLLOWING:

Benign Brain Tumor, Alzheimer's Disease, HIV Infection From Blood Transfusion, Parkinson's Disease, Aorta Graft Surgery, Heart Valve Replacement or Repair

10% BENEFIT PAID FOR THE FOLLOWING:

Coronary Angioplasty Surgery (payable one time only)

MAXIMUM CRITICAL ILLNESS BENEFIT IS:

The policy's face amount or \$25,000, whichever is lower. Subsequent claims payments, where applicable, will be based on the benefit percentage as listed above. The maximum payout will be 100% of the total critical illness benefit one time. The Policy terminates after the maximum benefit is paid. Benefits paid after a thirty day waiting period unless the twelve month pre-existing exclusion period precedes the claim benefit. There is no death benefit paid on this Policy.

**RBA-ATA CRITICAL ILLNESS
PRODUCT EXCLUSIONS**

THE FOLLOWING EXCLUSIONS APPLY TO THIS POLICY:

If the Insured has been diagnosed or treated for a particular condition within the past twelve (12) months then that condition is excluded for twelve months (12) from the effective date of the Policy. No benefit would be paid in the event of a claim being filed for that condition. There is a thirty day (30) waiting period before any benefit would be paid on all conditions.

**THE CRITICAL ILLNESS BENEFIT WILL NOT BE PAYABLE IF THE LOSS
RESULTS FROM THE FOLLOWING:**

1. Intentionally self-inflicted injuries, while sane or insane (In MO, while sane; in SC, suicide, sane or insane, attempted suicide or intentionally self-inflicted injury; or
2. Alcohol or drug abuse (unless drug abuse was a result of the administration of drugs as part of a treatment by a doctor); in SC, alcohol, or drug addiction; or
3. Committing or attempting to commit a felony (in SC, participating in a felony); or
4. War (declared or undeclared) or any act of war, or service in any armed forces (in OK any war or any act of war, declared or undeclared, while serving in the military forces or any auxiliary unit attached thereto); or
5. Engaging in an illegal occupation (Except in SC); or
6. Participating in a riot or insurrection; or
7. Injury sustained while taking part in any of the following activities: *
 - a. Amateur or Professional Sports or athletics, except for amateur sports or athletics which are non contact and undertaken solely for the leisure, recreational, entertainment or fitness purposes;
 - b. Mountaineering where ropes or guides are normally used or at elevations of 4,500 meters or above;
 - c. Aviation, except when traveling solely as a fare paying passenger in a commercial aircraft;
 - d. Hang gliding, sky diving, parachuting or bungee jumping;
 - e. Snow skiing or snowboarding, except for recreational downhill skiing or cross country snow skiing or snowboarding on prepared and marked boundaries and/or against the advice of the local ski school or local authoritative body;
 - f. Racing by any animal or motorized vehicle
 - g. Spelunking;
 - h. Operating or riding in or upon, mounting or alighting from, any two, three or four wheeled motor/engine driven snowmobile or all terrain vehicle (ATV);

** Exclusion 7 applies only to the Critical Illness conditions of Paralysis, Blindness or Coma*

TAX TREATMENT: The payment of an accelerated benefit may be taxable. A personal tax advisor should be consulted to obtain information about the income tax effect on any accelerated benefits.

8. On or before March 2009, the Respondent, through ATA LLC, began marketing and selling the Limited Medical Plan, the Per Occurrence Plan and the Critical Illness Plan through various internet sites including, but not limited to, www.premierhealthcareonline.com, www.myatabenefit.com, www.prosperitypreparedness.com, www.healthtoday.biz, www.pinnaclehealthsavings.com and www.ehealthgreen.com, and other means in this State.

9. In or around August 2009, the Respondent, through American Trade Association, Inc. (“ATA Inc.”), began marketing and selling the Limited Medical Plan, the Per Occurrence Plan and the Critical Illness Plan to its members in this State. The limited benefit health plans indemnified members of ATA Inc. against loss up to a maximum amount stated in the policy. The limited health benefits, which are underwritten by Respondent, are offered through a group insurance provided to ATA Inc.

10. As of January 2010, neither Respondent, ATA LLC, ATA Inc. nor RBA is licensed to issue policies of insurance in the State of Tennessee, or any other state, as an insurance company and none have a licensed insurance company underwriting the limited benefit health plans offered in this State.

CONCLUSIONS OF LAW

1. Tenn. Code Ann. § 56-2-102 provides, in pertinent part, that “[n]o domestic insurance company or foreign insurance company shall commence business in this state until it...has received from the commissioner a certificate of authority to do business.”

2. Tenn. Code Ann. § 56-2-105 provides, in pertinent part, that “[i]t is unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state without a certificate of authority for the commissioner.”

3. Tenn. Code Ann. § 56-2-107 provides, in pertinent part, that the solicitation of applications for contracts of insurance, effected by mail or otherwise, is to be considered to be among those acts deemed to constitute transacting insurance business in this state.

4. Tenn. Code Ann. § 56-2-201(1) defines accident and health insurance, in pertinent part, as “insurance against bodily injury, disablement or death, by accident or accidental means, or the expense of bodily injury, disablement or death, against disablement or expense resulting from sickness, and every insurance pertaining thereto.”

5. Tenn. Code Ann. § 56-7-101(a) defines a contract of insurance, in pertinent part, as “an agreement by which one party, for a consideration, promises to pay money or its equivalent, or to do some act of value to the assured, upon the destruction or injury, loss or damage of something in which the other party has an insurable interest; and it is unlawful for any company to make any contract of insurance upon or concerning any property or interests or lives in this state, or with any resident of this state, or for any person, as insurance agent or insurance broker, to make, negotiate, solicit, or in any manner aid in the transaction of the insurance, unless and except as authorized under this title.”

6. Tenn. Code Ann. § 56-2-302 provides, in pertinent part, that whenever the Commissioner determines that a company is violating or about to violate the provisions of Tenn. Code Ann. § 56-2-105, the Commissioner may issue a notice of hearing and charges requiring the

company to show cause why an order should not issue requiring the entity to cease and desist the unauthorized business of insurance in this state.

7. Tenn. Code Ann. § 56-2-304 provides, in pertinent part, that if the Commissioner finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in an order, a summary cease and desist order may be issued pending proceedings for other actions under this Title 56, Chapter 2, Part 3 and that these proceedings shall be promptly instituted and determined.

8. Tenn. Code Ann. § 56-2-108(a) provides that “[a]ny company that violates Tenn. Code Ann. § 56-2-105 is subject to a fine and/or civil penalty of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000) for each violation.”

9. The Findings of Fact, above, demonstrate that Respondent is violating Tenn. Code Ann. §§ 56-2-102 and 56-2-105 by engaging in the business of insurance in this state without a certificate of authority issued by the Commissioner. Such violation subjects Respondent to the sanctions provided in both Tenn. Code Ann. § 56-2-302 and Tenn. Code Ann. § 56-2-108.

10. Because Respondent is operating without a certificate of authority, individuals who purchase insurance from it face serious risks. The underwriting of insurance by the Respondents without any substantive regulatory oversight to ensure lawful policy forms, rates, claims handling and, most importantly, the financial solvency of the Respondent leaves those policyholders in danger. If an insurer does not have adequate reserves to cover its liabilities, many policyholders may be effectively without insurance coverage. These drastic contingencies necessitate the Division’s Summary Order for Cease and Desist in this case so as to prevent further unauthorized operation of the Respondent without a certificate of authority. Since the policyholders of the Respondent are

entitled to all of the protections that insurance regulation provides, the public health, safety, or welfare imperatively require the emergency action requested in the Division's prayer.

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

1. Respondent shall immediately cease and desist further violations of Tenn. Code Ann. §§ 56-2-102 and 105 by engaging in the business of insurance in this state as an insurance company without a certificate of authority issued by the Commissioner;

2. If requested by any of the Respondents, an informal conference shall be held to discuss the circumstances affecting the public health, safety or welfare which warranted the issuance of the summary order. A date for such informal conference will be set, and the Respondents shall be notified of the date when such informal conference may occur should it request one; and

3. A hearing date is to be established as to all other matters raised in the Petition, and the Respondents shall be notified of the time, date and place for such hearing.

Entry of this Order shall not in any way restrict the Tennessee Insurance Division or the Commissioner of Commerce and Insurance from taking further action with respect to these or other possible violations by the Respondent of Tennessee Law or any of the Rules promulgated thereunder.

This Order shall become a Final Order thirty (30) days from the date of its entry.

IT IS SO ORDERED.

ENTERED this the 28th day of January, ~~2009~~²⁰¹⁰.

Leslie A. Newman

Leslie A. Newman
Commissioner

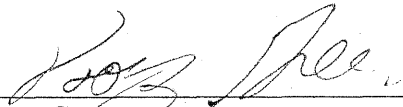
APPROVED FOR ENTRY:

Tony Greer

Tony Greer (BPR#023657)
Assistant General Counsel
Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, 2nd Floor
Nashville, Tennessee 37243
615 741 2199

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Petition, Order of Summary Suspension, and Notice of Hearing and Rights of the Respondent was mailed *via* FedEx Overnight Delivery, bearing receipt number 8684 0225 7603, and United States Certified Mail, return receipt requested, bearing receipt number 7004 1350 0002 6145 7807 to the Respondent at Serve America Assurance, Ltd., 4676 Highway 41 North, Springfield, TN 37172, and via United States Postal Service to Serve America Assurance, Ltd., P. O. Box 5626, 412-427, 4th Floor, Muhammadi House, I. I. Chundrigar Road, Karachi, Pakistan.



Tony Greer
Certifying Attorney