

This Order of Administrative Supervision is confidential pursuant to Tenn. Code Ann. § 56-9-504(a). This Order of Administrative Supervision shall not be made public unless the Commissioner deems disclosure is necessary or proper for the enforcement of the laws of this state, another state, or the United States or that it is in the best interest of the public or in the best interest of the insurer, its insureds, creditors or the general public.



**BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

IN THE MATTER OF:) **No.: 22-086**
BRIGHT HEALTH INSURANCE COMPANY OF)
TENNESSEE)
)

ORDER OF ADMINISTRATIVE SUPERVISION

WHEREAS, Bright Health Insurance Company of Tennessee (“Bright Health”) is a domestic accident and health insurer authorized to transact insurance business in the state of Tennessee pursuant to a Certificate of Authority issued by the Tennessee Department of Commerce and Insurance (“Department”).

PARTIES

1. Bright Health is a Tennessee domestic insurer authorized to issue accident and health insurance.
2. The Department has jurisdiction over Bright Health, this matter, and this Order of Administrative Supervision (“Order”) pursuant to Tenn. Code Ann. §§ 56-2-101 et seq. and 56-9-501 et seq.

FINDINGS OF FACTS

3. The Department has determined that grounds exist for Bright Health to be placed into administrative supervision for the purpose of safeguarding its assets; protecting the interests of policyholders, claimants, providers, and the public; and effectuating an orderly wind-down of its remaining liabilities if necessary.

CONCLUSIONS OF LAW

4. Pursuant to Tenn. Code Ann. § 56-9-503(a), “An insurer may be subject to administrative supervision by the commissioner if ... it appears in the commissioner's discretion that: (1) The insurer's condition renders the continuance of its business hazardous to the public or to its insureds; (2) The insurer has exceeded its powers granted under its certificate of authority and applicable law; (3) The insurer has failed to comply with the applicable provisions of the insurance code; (4) The business of the insurer is being conducted fraudulently; or (5) The insurer gives its consent....”

5. “If placed under administrative supervision, the insurer has sixty (60) days, or another period of time as designated by the commissioner, to comply with the requirements of the commissioner, subject to this chapter.” Tenn. Code Ann. § 56-9-503(c). “If it is determined, after notice and hearing, that the conditions giving rise to the supervision still exist at the end of the supervision period, the commissioner may extend the period.” Tenn. Code Ann. § 56-9-503(d). “If it is determined that none of the conditions giving rise to the supervision exist, the commissioner shall release the insurer from supervision.” Tenn. Code Ann. § 56-9-503(e).

6. Pursuant to Tenn. Comp. R. & Regs. 0780-01-66-.04(2)(b), “If the Commissioner determines that the continued operation of the insurer licensed to transact business in this state

may be hazardous to its policyholders, creditors or the general public, then the Commissioner may, upon a determination, issue an order consistent with applicable statutes requiring the insurer to . . . reduce, suspend or limit the volume of business being accepted or renewed.”

ORDER

NOW, THEREFORE, it is **ORDERED** by the Commissioner that Bright Health be and is hereby placed under administrative supervision by the Commissioner pursuant to Tenn. Code Ann. §§ 56-9-501 *et seq.* The Commissioner, at his discretion, may designate a substitute administrative supervisor pursuant to Tenn. Code Ann. § 56-9-505.

7. The Commissioner requires an Order to allow sufficient access and control over the operations of Bright Health, to supervise Bright Health’s administration and financial condition, and to conduct any other actions deemed appropriate by the Commissioner. Bright Health is hereby notified that Bright Health shall remain in administrative supervision, unless rescinded upon further order of the Commissioner. The Commissioner hereby appoints the Director of Insurance, Scott McAnally, as the Commissioner’s designee, to carry out the terms of this Order as administrative supervisor (“Supervisor”) pursuant to the provisions of Title 56, Chapter 9, Part 5. This action by the Commissioner is subject to review pursuant to applicable state administrative procedures under the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5 of the Tennessee Code Annotated.

8. At the discretion of the Commissioner, Bright Health may be required to pay any and all appropriate and reasonable costs incurred during the administrative supervision, including, but not limited to:

- a. The expenses of the Commissioner or the Commissioner's designated appointee; and

- b. The compensation of the experts, actuaries and examiners as may be contracted for by the Commissioner or the Commissioner's designated appointee for the purpose of assisting in the supervision. The compensation shall be fixed at a reasonable amount commensurate with usual compensation for like services and shall not exceed one hundred fifty percent (150%) of the compensation and per diem allowances set forth in the guidelines adopted by the National Association of Insurance Commissioners. Tenn. Code Ann. § 56-9-511.

9. Bright Health may not do any of the following during its administrative supervision without the prior approval of the Supervisor:

- a. Expend funds in excess of ten thousand dollars (\$10,000) other than for the payment of claims or for payroll for Bright Health;
- b. Make withdrawals from any of its bank accounts, other than withdrawals for the payment of claims or for payroll for Bright Health;
- c. Lend any of its funds;
- d. Invest any of its funds;
- e. Transfer any of its property;
- f. Merge or consolidate with another company without a successful Form A Hearing;
- g. Terminate, surrender, forfeit, convert or lapse any insurance policy, certificate or contract, except for nonpayment of premiums due;
- h. Release, pay or refund premium deposits, accrued cash or loan values, unearned premiums, or other reserves on any insurance policy, certificate or contract;
- i. Make any material change in management; or
- j. Transfer any funds directly or indirectly to Bright Health's parent

company.

10. The entry of this Order shall not preclude the Commissioner from initiating judicial proceedings to place Bright Health in conservation, rehabilitation, or liquidation proceedings or other delinquency proceedings, however designated under the laws of this state, regardless of whether the Commissioner has previously initiated administrative supervision proceedings under Chapter 9 of Title 56 of the Tennessee Code Annotated.

11. The Supervisor may contract, with the advice and written consent of the Commissioner, with consultants, such as claims specialists, accountants, actuaries, or other persons whom the Supervisor deems necessary and able to aid in the supervision of Bright Health. At the discretion of the Commissioner, such costs incurred may be borne by Bright Health. Tenn. Code Ann. § 56-9-511.

12. The officers, managers, directors, trustees, owners, affiliates, management companies, employees, agents, servants, governors, members and/or other affiliated persons and/or entities of Bright Health with authority or control over or in charge of any segment of Bright Health's affairs are directed to cooperate with the Commissioner and the Supervisor in the carrying out of the administrative supervision, and shall abide by the terms and conditions of this Order. This cooperation shall include, but not be limited to, the following:

- a. Replying promptly to acknowledge receipt of a request, within one (1) business day, (and, if requested, in writing) to any inquiry from the Supervisor or the Commissioner's other agents. The request should be fulfilled within three (3) business days, unless the response time is extended by the Supervisor or Commissioner;
- b. Making available to the Supervisor or the Commissioner's other

agents any books, bank and investment accounts, documents, or other information or property of or pertaining to Bright Health in its possession, custody, or control. No person shall obstruct or interfere with the administrative supervision of the Commissioner's other agents in the conduct of this supervision; and

- c. Responding fully and accurately to inquiries by the Supervisor or the Commissioner's other agents, examiners or consultants about operations or any other matters which the Supervisor or Commissioner's other agents deem important to this supervision.

13. Nothing in this Order shall preclude the Commissioner from amending, terminating, or modifying such Order. Furthermore, nothing in this Order shall prevent the Commissioner or other state authorities from instituting any other remedies available to them under law with respect to Bright Health.


14. If approval under this Order has been granted by the Commissioner and the Commissioner becomes aware of additional facts or circumstances which bear upon the transactions contemplated herein, the Commissioner reserves the authority to require such corrective action as he may deem necessary or advisable.

15. This Order and all proceedings, hearings, notices, correspondence, reports, records, and other information in the possession of the Commissioner or the Department relating to this administrative supervision are confidential, except as provided by Tenn. Code Ann. § 56-9-504. The Commissioner may make public this Order if he determines it is appropriate, pursuant to Tenn. Code Ann. § 56-9-504.

16. This Order shall become effective upon entry by the Commissioner.

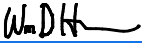
It is so **ORDERED**.

ENTERED on this the 4th day of November, 2022.


Carter Lawrence (Nov 4, 2022 15:07 CDT)

Carter Lawrence
Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:


Bill Huddleston (Nov 3, 2022 10:55 CDT)

Bill Huddleston
Assistant Commissioner for Insurance
Department of Commerce and Insurance


Jenny Taylor (Nov 3, 2022 09:26 CDT)

Jenny Taylor
Associate General Counsel
Department of Commerce and Insurance
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Jenny.Taylor@tn.gov
Nashville, Tennessee 37243

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the within and foregoing document has been sent by U.S. Mail postage prepaid, and Fed Ex Next Day (tracking number 8692 6851 9660) to the following address on this 4th day of November, 2022:

Bright Health Insurance Company of Tennessee
8000 Norman Center Dr., Suite 1200
Minneapolis, MN 55437