

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of)
)
SEDERA, INC.)
) OAH Case No. 19-0838-INS
) Agency No. D19-09
_____)

STIPULATED AGREEMENT AND ORDER

The Alaska Division of Insurance (“Division”) and Sedera, Inc. d/b/a Sedera Health (“Sedera”) stipulate and agree to the following terms and that the dispute is resolved as follows:

I. BACKGROUND

1. Sedera, Inc. (Sedera) is a Delaware registered corporation, headquartered in Austin, Texas.

2. On or about August 15, 2019, the Division issued a Cease and Desist Order against Sedera alleging Sedera to be either an insurer or multiple employer welfare arrangement (MEWA) operating in Alaska without proper authority from the Division.

3. On August 29, 2019, Sedera requested a hearing pursuant to AS 21.06.180, staying the effect of the Cease and Desist Order. The case was assigned to Administrative Law Judge Christopher Kennedy and set for an initial Case Planning Conference on September 20, 2019.

4. The parties agreed to several continued status conferences since the initial case planning conference to allow bi-lateral discussions to resolve this matter.

5. Pursuant to those discussions, Sedera agreed to make certain operational changes to meet the statutory definition of a health care sharing ministry as defined in AS 21.03.021(k).

6. These changes included the formation of a 501(c)(3) non-profit entity registered in Texas, the Sedera Medical Cost Sharing Community (“SMCSC”), and the development

of a new sharing platform that facilitates direct member-to-member sharing with personal Medical Cost Sharing Accounts (the “New Platform”).

7. Under this new arrangement Sedera has contracted to the SMCSC to provide administrative and other services to SMCSC.

8. Sedera has now completed the formation and creation of the SMCSC and the implementation of the New Platform, and the SMCSC is now enrolling new Members.

9. All current and future members of Sedera in Alaska will become members of the SMCSC.

II. TERMS OF AGREEMENT

A. The parties agree the SMCSC meets the stated elements of AS 21.03.021(k) to qualify as a health care sharing ministry.

B. All new Sedera SELECT+ groups and their Members in Alaska will be Members of the SMCSC and use the New Platform.

C. All new individual Sedera ACCESS+ Members in Alaska will be Members of the SMCSC and use the New Platform.

D. Sedera will transition all of its current Alaska ACCESS Sponsoring Entities and Members to the SMCSC and the ACCESS+ Membership when the ACCESS Sponsoring Entity renews the group on the ACCESS+ Membership which shall occur no later than October 1, 2021.

E. Sedera will transition all of its current Alaska SELECT Members to the SMCSC and the SELECT+ Membership on their annual renewal date, starting with the renewals on October 1, 2020 and be completed no later than October 1, 2021.

F. Sedera agrees to dismiss its pending appeal with the Office of Administrative Hearings within 10 days of the date the Director signs the order approving this stipulated agreement.

G. The Division agrees to withdraw its Cease and Desist Order of August 15, 2019 within 10 days of the date the Director signs the order approving this stipulated agreement.

H. The Division agrees to waive penalties against Sedera for alleged violations of AS 21.09.010 and AS 21.85.010 as described in the August 15, 2019 Cease and Desist Order.

I. Sedera and the SMCSC agree continue to comply with all requirements AS 21.03.021(k) and with the terms of this agreement. Sedera and the SMCSC understand that a failure to comply with the terms of this agreement or AS 21.03.021(k) will subject Sedera and the SMCSC to possible administrative action.

J. Sedera understands that this agreement is not binding on the parties unless and until the Director signs the order approving the agreement.

DATED: 9/22/20

DIVISION OF INSURANCE

By: Anna Latham

Anna Latham

Deputy Director, Division of Ins.

DATED: 9/22/20

By: /s/ Daniel Wilkerson

Daniel Wilkerson

Assistant Attorney General

Counsel, Division of Ins.

DATED: 09/17/2020

SEDERA, INC.

By: Jan Kotarski

DATED: 09/17/20

SMCSC

By: Michael Hill

ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the issues in the case and shall constitute the final order in this matter.

DATED this 24 day of September, 2020.



Lori Wing-Heier

Director, Division of Ins.