

No. 2019 - 5839

**Official Order  
of the  
Texas Commissioner of Insurance**

**Date:** JAN 07 2019

**Subject Considered:**

WH Administrators, Inc.  
2 Bethesda Metro Ctr Ste 450  
Bethesda, Maryland 20814-5422

Default Order  
SOAH Docket No. 454-19-1138.C  
TDI Enforcement File No. 9148

**General remarks and official action taken:**

The subject of this order is whether disciplinary action should be taken against WH Administrators, Inc. (Respondent).

The following findings of fact and conclusions of law are adopted:

**Findings of Fact**

Failure to Respond to Notice of Hearing

1. On November 9, 2018, the Texas Department of Insurance filed a Notice of Hearing, attached as Exhibit A, with the State Office of Administrative Hearings.
2. The department's factual allegations set out in the attached Notice of Hearing are incorporated in this order as findings of fact.
3. The department sent the Notice of Hearing to Respondent's last known address provided in writing to the department, 2 Bethesda Metro Ctr Ste 450, Bethesda, Maryland 20814-5422.

4. Respondent failed to file a written response to the Notice of Hearing within 20 days of the date the Notice of Hearing was mailed.

### **Conclusions of Law**

1. The commissioner has jurisdiction pursuant to Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4001.102, 4001.105, 4005.101-4005.105, and 4054.051; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to dispose of this case informally pursuant to TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89.
3. The department provided proper notice of the hearing pursuant to TEX. GOV'T CODE §§ 2001.051, 2001.052, and 2001.054, and 28 TEX. ADMIN. CODE §§ 1.28, 1.88, 1.89, and 19.906.
4. Based on Respondent's failure to file a written response to the Notice of Hearing, the department is entitled to disposition by default pursuant to 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
5. The department's factual and legal allegations set out in the attached Notice of Hearing are incorporated in this order and deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.

### **Order**

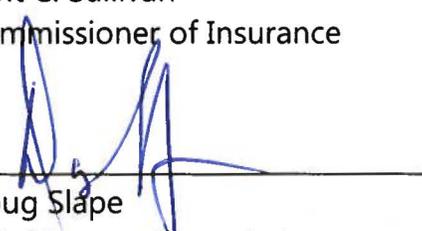
It is ordered that WH Administrators, Inc.'s general lines agency license with a life, accident, and health qualification is revoked.

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Commissioner's Order  
WH Administrators, Inc.  
SOAH Docket No. 454-19-1138.C  
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A copy of this order will be provided to law enforcement and/or other appropriate administrative agencies for further investigation as may be warranted.

Kent C. Sullivan  
Commissioner of Insurance

By:   
Doug Slape  
Chief Deputy Commissioner  
Commissioner's Order No. 2018-5528

**Affidavit**

**STATE OF TEXAS**           §  
  §  
**COUNTY OF TRAVIS**       §

Before me, the undersigned authority, personally appeared Mary Ruiz, who, being by me duly sworn, deposed as follows:

"My name is Mary Ruiz and I am employed by the Texas Department of Insurance. I am of sound mind, capable of making this affidavit, and have personal knowledge of these facts which are true and correct.

I have reviewed TDI's records concerning WH Administrators, Inc. I have confirmed that:

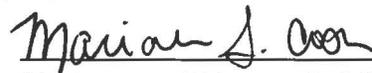
- a. The last mailing address provided to the department in writing by WH Administrators, Inc. is 2 Bethesda Metro Ctr Ste 450 Bethesda, Maryland 20814-5422.
- b. The file maintained by the Enforcement Section of the Legal and Enforcement Division contains a Notice of Hearing dated November 9, 2018, which was filed with the State Office of Administrative Hearings.
- c. On November 9, 2018, a Notice of Hearing addressed to WH Administrators, Inc. was mailed first-class and certified, return receipt requested, to its last known address.

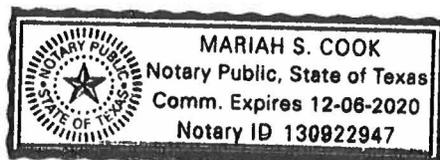
Copies of the first-class mail log and certified mail log maintained by the Enforcement Section are attached as Exhibit B and Exhibit C, respectively."

  
\_\_\_\_\_  
Affiant

SWORN TO AND SUBSCRIBED before me on December 18, 2018

(NOTARY SEAL)

  
\_\_\_\_\_  
Signature of Notary Public



MARIAH S. COOK  
\_\_\_\_\_  
Printed Name of Notary Public

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SOAH DOCKET NO. 454-19-1138.C  
TDI ENFORCEMENT FILE NO. 9148



TEXAS DEPARTMENT OF INSURANCE,

Petitioner

v.

WH ADMINISTRATORS, INC.,

Respondent

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

**Notice of Hearing**

The Texas Department of Insurance is seeking disciplinary action against you. A public hearing will be held before an Administrative Law Judge on **Tuesday, February 5, 2019, at 9:00 a.m.** The hearing will take place at the State Office of Administrative Hearings, located in the William P. Clements Building, 300 W. 15th Street, 4th Floor, Austin, Texas, 78701.

The hearing shall be conducted pursuant to TEX. GOV'T CODE, Ch. 2001 and 1 TEX. ADMIN. CODE, Ch. 155. Unless otherwise directed by the Administrative Law Judge, the hearing shall continue from day to day in the offices of the State Office of Administrative Hearings until concluded.

**PARTIES THAT ARE NOT REPRESENTED BY AN ATTORNEY MAY OBTAIN INFORMATION REGARDING CONTESTED CASE HEARINGS ON THE PUBLIC WEBSITE OF THE STATE OFFICE OF ADMINISTRATIVE HEARINGS AT WWW.SOAH.TEXAS.GOV, OR IN PRINTED FORMAT UPON REQUEST TO SOAH.**

The commissioner of insurance has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101, 4005.102, 4051.051, and 4054.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.

**YOU MUST FILE A WRITTEN RESPONSE TO THE NOTICE OF HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN 20 DAYS OF THE DATE THE NOTICE OF HEARING WAS MAILED. FAILURE TO FILE A WRITTEN RESPONSE BY THIS DEADLINE SHALL ENTITLE TDI TO SEEK DISPOSITION BY DEFAULT PURSUANT TO 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.**

**IF YOU FAIL TO FILE A WRITTEN RESPONSE, THE SCHEDULED HEARING CAN BE CANCELED AND WITHOUT FURTHER NOTICE TO YOU THE COMMISSIONER OF**

**INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING REVOCATION OF YOUR LICENSE, ISSUANCE OF A CEASE AND DESIST ORDER, IMPOSITION OF ADMINISTRATIVE PENALTIES, AND/OR PAYMENT OF RESTITUTION, IS GRANTED BY DEFAULT.**

**IF YOU FILE A WRITTEN RESPONSE BUT THEN FAIL TO APPEAR ON THE DAY AND TIME SET FOR HEARING, WITHOUT FURTHER NOTICE TO YOU, THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING REVOCATION OF YOUR LICENSE, ISSUANCE OF A CEASE AND DESIST ORDER, IMPOSITION OF ADMINISTRATIVE PENALTIES, AND/OR PAYMENT OF RESTITUTION, IS GRANTED BY DEFAULT.**

In accord with 28 TEX. ADMIN. CODE § 1.90(e) and 1 TEX. ADMIN. CODE §§ 155.101 and 155.103, you should send copies of your written response to:

- (1) Docketing Division  
State Office of Administrative Hearings  
300 West 15th Street, Room 504  
P.O. Box 13025  
Austin, Texas 78711-3025  
(512) 322-2061 (Fax);
- (2) Chief Clerk  
Texas Department of Insurance, MC113-2A  
P.O. Box 149104  
Austin, Texas 78714-9104  
(512) 490-1064 (Fax)  
chiefclerk@tdi.texas.gov; and
- (3) Amy L. K. Wills  
Staff Attorney  
Texas Department of Insurance  
Enforcement Section, MC110-1A  
P.O. Box 149104  
Austin, Texas 78714-9104  
(512) 490-1020 (Fax)  
Amy.Wills@tdi.texas.gov.

## Factual Allegations

### Licensure

1. WH Administrators, Inc. (WH Administrators), firm identification number 87320, holds a general lines agency license with a life, accident, and health qualification issued by the department on October 31, 2014.

### Unlicensed Activity

2. Since July 23, 2013, Brendan Turner (Turner), has been an owner and director of WH Administrators. Turner is not licensed with the department.
3. None of WH Administrators' corporate management are licensed with the department.
4. In addition, WH Administrators does not hold a license to act as a third party administrator.

### Dishonest Acts / Misappropriation / Misrepresenting Insurance Product

#### Reliastar Life Insurance Company

5. On October 13, 2016, Reliastar Life Insurance Company (Reliastar) terminated WH Administrators' producer appointments. Specifically, the termination was due to WH Administrators' delay in submitting premium payments on behalf of several policyholders and for its failure to submit at least one premium for corresponding group policies.
6. WH Administrators' actions impacted at least 275 policies.

#### D.R.

7. D.R., an insured, had a policy that was issued through WH Administrators. WH Administrators represented to D.R. that this policy would cover all of D.R.'s medical bills.
8. In December of 2016, D.R. was laid off and purchased a COBRA plan through WH Administrators.

9. Although D.R. paid his premiums, WH Administrators did not pay for D.R.'s medical bills. D.R. had to pay not only his premiums but also his medical bills that were left unpaid by WH Administrators.
10. D.R. contacted WH Administrators about the unpaid bills, and WH Administrators asserted that D.R. would be reimbursed for the medical bills he paid. WH Administrators, however, never reimbursed D.R.

G.G.

11. G.G., an insured, had a policy that was issued through WH Administrators. WH Administrators represented that this policy would pay for all of G.G.'s medical bills.
12. G.G.'s heart stopped and he required various medical procedures and treatments. G.G. filed claims with WH Administrators for payment of the procedures and treatments he received.
13. When G.G. tried to contact WH Administrators about payment, WH Administrators stopped responding to G.G.'s phone calls. WH Administrators did not pay any of G.G.'s medical bills.

#### Failure to Notify of Administrative Action

14. On May 19, 2017, the Mississippi commissioner of insurance issued a cease and desist order to WH Administrators. The order specified that WH Administrators "engag[ed] in conduct and activities" that "adversely reflect upon [WH Administrators] competence and fitness to act as a non-resident insurance producer." The order then goes on to state that WH Administrators "has demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business" which violates MISS. CODE § 83-17-71(1)(h).
15. WH Administrators did not notify the department of this action.

#### Untimely Response to Request for Information

16. WH Administrators did not timely respond to the department's requests for information sent pursuant to TEX. INS. CODE § 38.001 on September 15, 2017 and October 10, 2017.

## Legal Allegations

1. WH Administrators has committed acts for which a license holder may be disciplined under TEX. INS. CODE § 4005.101, as contemplated in TEX. INS. CODE § 4005.102.
2. WH Administrators has willfully violated an insurance law of this state, as contemplated by TEX. INS. CODE § 4005.101(b)(1).
3. WH Administrators misappropriated, converted to his own use, or illegally withheld money belonging to an insured, insurer, or beneficiary, in violation of TEX. INS. CODE § 4005.101(b)(4).
4. WH Administrators engaged in fraudulent or dishonest acts or practices, in violation of TEX. INS. CODE § 4005.101(b)(5).
5. WH Administrators has materially misrepresented the terms and conditions of an insurance policy or contract, in violation of TEX. INS. CODE § 4005.101(b)(6).
6. WH Administrators failed to respond to a department inquiry in writing not later than the 15th day after the date the inquiry was received, in violation of TEX. INS. CODE § 38.001.
7. None of WH Administrators' officers are licensed with the department, in violation of TEX. INS. CODE § 4001.106.
8. WH Administrators acted as a third party administrator without holding a license issued by the department, in violation of TEX. INS. CODE § 4151.051-4151.056.

## Relief Sought

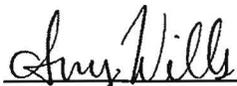
If one or more of the above allegations is found to be true, the commissioner may enter an order revoking your license, ordering you to cease and desist from certain activity, and/or imposing an administrative penalty, restitution, and additional sanctions. You have the right to appear at this hearing and to be represented by an attorney. Please address any questions and correspondence to the undersigned counsel at the address or telephone number below.

**Important Security Notice**

**ALL VISITORS TO THE WILLIAM P. CLEMENTS BUILDING WITHOUT AN AGENCY OR DPS ISSUED ID CARD MUST PROVIDE THE BUILDING SECURITY OFFICER WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS DOCKET NUMBER AND RECEIVE A VISITOR'S PASS IN ORDER TO BE ALLOWED ACCESS TO THE HEARING ROOM. INDIVIDUALS SHOULD ALLOW ADDITIONAL TIME TO GO THROUGH THE SECURITY PROCESS.**

If you have any questions, please contact me at the address or telephone number shown below.

Sincerely,



Amy L. Wills

Staff Attorney

State Bar No. 24093379

Texas Department of Insurance

Legal and Enforcement Division - Enforcement Section, MC110-1A

P.O. Box 149104

Austin, Texas 78714-9104

(512) 676-6343 (Direct)

(512) 490-1020 (Fax)

Amy.Wills@tdi.texas.gov

- cc: Leah Gillum, Associate Commissioner, Enforcement Section, MC-110-1A  
Ginger Loeffler, Director, Licensing Litigation Office, Enforcement Section, MC-110-1A  
Administrative Review, MC107-1A

2019-5839

NOTICE OF HEARING

WH Administrators, Inc.

SOAH Docket No. 454-19-1138.C

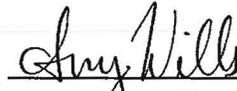
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**Certificate of Service**

I, Amy Wills, certify that a true and correct copy of this *Notice of Hearing* was sent by regular, first-class mail and by certified mail, return receipt requested, on this 9th day of November, 2018 to:

WH Administrators, Inc.  
2 Bethesda Metro Ctr Ste 450  
Bethesda, Maryland 20814-5422  
*Respondent Pro Se*

*Via CM/RRR No.:*  
9214 8901 9403 8375 1051 80  
*And First-Class Mail*

  
\_\_\_\_\_  
Amy L. Wills



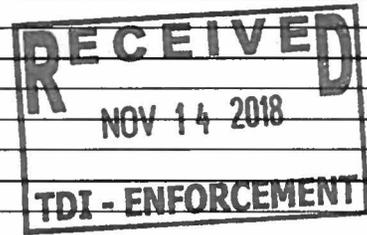
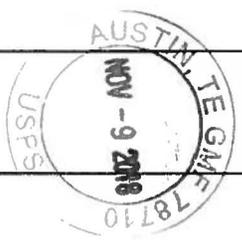


Name and Address of Sender  
MC 110-1A M RUIZ  
Texas Department of Insurance  
333 Guadalupe St  
Austin Tx 78701

- Check type of mail or service
- Adult Signature Required
  - Adult Signature Restricted Delivery
  - Certified Mail
  - Certified Mail Restricted Delivery
  - Collect on Delivery (COD)
  - Insured Mail
  - Priority Mail
  - Priority Mail Express
  - Registered Mail
  - Return Receipt for Merchandise
  - Signature Confirmation
  - Signature Confirmation Restricted Delivery

Affix Stamp Here  
(if issued as an international certificate of mailing or for additional copies of this receipt).  
Postmark with Date of Receipt.

USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
1. 9214 8901 9403 8375 1051 80  will/9148	WH ADMINISTRATORS INC 2 BETHESDA METRO CTR STE 450 BETHESDA MD 20814-5422	0.71	3.45	Handling Charge - if Registered and over \$50,000 in value							1.50				
								Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling	



Total Number of Pieces Listed by Sender: 1  
Total Number of Pieces Received at Post Office: 1

Postmaster, Per (Name of receiving employee)

Complete in Ink

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2019-5839



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# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 11/09/2018

Shipped From:

Name: MC 110-1A M RUIZ

Address: 333 GUADALUPE ST

City: AUSTIN

State: TX ZIP+4® 78701

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0011 2328 71

