

No. **2026-9772**

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

Date: 01/29/2026

Subject Considered:

American Financial Security Life Insurance Company
150 E. Palmetto Park Rd., Ste. 450
Boca Raton, FL 33432-4851

Consent Order
SOAH Docket No. 454-24-09827
TDI Enforcement File Nos. 26734 and 28861

General remarks and official action taken:

This is a consent order with American Financial Security Life Insurance Company (AFSLIC). AFSLIC failed to notify TDI of the existence of its network contract, and failed to disclose to its policyholders and insureds the use and availability of a network of physicians and providers offering discounted services. AFSLIC further failed to ensure the competent administration of its programs through its third-party administrator, has not performed on-site audits of its administrator, engaged in unfair claims settlement practices, and failed to timely pay claims. AFSLIC also failed to respond to requests for information from TDI and failed to timely file annual holding company system registration statements. AFSLIC is ordered to either revise its policy forms or cease using the contracted network, to pay restitution, and to pay an administrative penalty of \$250,000.

Waiver

AFSLIC acknowledges that the Texas Insurance Code and other applicable law provide certain rights. AFSLIC waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

Background

1. AFSLIC is a foreign life, accident, or health insurance company holding a certificate of authority to transact business in Texas.

Failure to Notify TDI of Network Contract and to Disclose Network Access to Policyholders

2. TDI received multiple complaints against AFSLIC alleging improper claims handling.
3. TDI investigated and sent AFSLIC multiple information requests.
4. AFSLIC's initial response to TDI's information request used terminology such as "network discount," "PPO discount," and "in-network providers."
5. AFSLIC admitted that its short-term medical plans had utilized a Private Healthcare Systems (PHCS) network known as MultiPlan since 2015.
6. After this matter was docketed for an administrative hearing, AFSLIC represented to TDI that it pays contractually fixed rates and denies claims submitted by both in-network and out-of-network providers for policy-based reasons, and that it does not deny or partially deny claims because the physician or provider is out-of-network.
7. AFSLIC contracts with a PPO network provider, Multiplan/PHCS, and utilizes network discounts available to it for the repricing of claims.
8. TDI's records of AFSLIC's filed and approved policy forms found that AFSLIC has not disclosed to policyholders that insureds have access to the MultiPlan/PHCS network to secure discounted services from network physicians and providers.
9. AFSLIC's failure to disclose access to the MultiPlan/PHCS network was, and continues to be, harmful to consumers who have not been directly given information that they can pay less out of pocket for services rendered by network physicians and providers.

Deficient Oversight of Third-Party Administrator and Failure to Respond

10. Since May 2010, AFSLIC has contracted with an authorized third-party administrator (TPA), International Benefits Administrators, LLC (IBA), to process its claims.
11. On March 4, 2025, the commissioner entered Consent Order No. 2025-9166 against IBA, in which IBA admitted and the commissioner specifically found among other things, that:
 - a. on or around July 2020, IBA underwent a complete system overhaul which caused delays in handling and improper denials of AFSLIC claims; and
 - b. while operating as AFSLIC's TPA, IBA:
 - i. incorrectly entered claim information into its processing system,
 - ii. unduly delayed the processing of claims, and
 - iii. improperly denied claims in whole or in part.
12. The commissioner also concluded IBA committed numerous violations related to the aforementioned findings and others, including that IBA:
 - a. failed to maintain its qualifications to hold its TPA certificate of authority;
 - b. failed to report to TDI various material changes to its qualifications and other important regulatory information;
 - c. failed to timely adjudicate and pay AFSLIC's claims;
 - d. improperly denied AFSLIC's claims;
 - e. operated or conducted business in a hazardous or injurious manner; and
 - f. committed dishonest acts.
13. Under the terms of Order No. 2025-9166, IBA surrendered its Texas TPA certificate of authority effective 90 days from the date of the order, and consented to a five-year bar from re-application for authority. IBA was also ordered to immediately cease and desist accepting any new TPA business in Texas.
14. Accordingly, AFSLIC failed to ensure IBA's competent administration of its programs.

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15. Moreover, despite TDI's repeated requests to AFSLIC to provide additional information regarding IBA's improper processing of claims during TDI's investigation of this matter, AFSLIC refused to respond to those requests.

Failure to Perform On-Site Audits

16. AFSLIC never conducted the statutorily required semiannual reviews and biennial on-site audits of IBA to ensure proper oversight of IBA's operations as its TPA.
17. AFSLIC contends that it performed semiannual reviews of IBA, but AFSLIC did not produce to TDI any documentation demonstrating those reviews occurred, such as a written summary of the objectives and scope of any such semiannual reviews or any corrective action plans to address any deficiencies found.
18. AFSLIC represented that on-site audits were not performed from 2020-21 due to the COVID-19 pandemic. However, AFSLIC provided no explanation to TDI for failing to perform on-site audits for the five years preceding the pandemic, from 2015-20, and after, from 2022-24.
19. AFSLIC's failed to perform semiannual reviews and on-site audits of IBA throughout the entirety of their contractual relationship.

Failure to File Annual Holding Company System Registration Statements

20. On December 31, 2019, AFSLIC was classified as commercially domiciled in Texas as contemplated in TEX. INS. CODE § 823.004, thereby exempting it from all filing requirements in TEX. INS. CODE Chapter 823 but requiring that it file a Form B insurance holding company system registration statement annually.
21. On April 2, 2020, and on March 9, 2021, TDI contacted AFSLIC notifying it to file the annual registration statement with Texas and to complete the affidavit to receive the exemption.
22. AFSLIC did not timely respond to TDI's requests.
23. AFSLIC failed to timely file its 2020 Form B registration statement. In February 2022, AFSLIC late submitted its 2020 Form B registration statement it filed with Missouri by email, instead of filing it through the proper channel.

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24. AFSLIC also failed to timely file its 2022 and 2023 Form B registration statements, which were due on April 30, 2023, and April 30, 2024, respectively.
25. AFSLIC filed the 2022 and 2023 Form B registration statements on May 15, 2023, and May 17, 2024, respectively.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.051-801.054, 841.002, 841.101, and 841.701-841.702.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056 and TEX. INS. CODE §§ 36.104 and 82.055.
3. AFSLIC has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. AFSLIC violated TEX. INS. CODE § 543.002 by failing to disclose the existence of the Multiplan/PHCS network contract in the policies issued to its insureds.
5. AFSLIC violated 28 TEX. ADMIN. CODE § 3.9803(b) by failing to submit to TDI a fully completed Provider Network Contracting Entity Exemption of Affiliates Form.
6. AFSLIC has failed to provide timely notification of acceptance or rejection of claims in violation of TEX. INS. CODE § 542.056.
7. AFSLIC has failed to timely pay claims in violation of TEX. INS. CODE §§ 542.057 and 542.058.
8. AFSLIC has committed unfair claims settlement practices in violation of TEX. INS. CODE § 542.003(b)(1), (4), (5), and (7), and has subjected itself to the administrative penalties contemplated in TEX. INS. CODE § 1301.056(c).
9. AFSLIC violated TEX. INS. CODE § 4151.1042(b) by failing to ensure competent administration of its programs through its contracted third-party administrator.

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10. AFSLIC violated TEX. INS. CODE § 4151.1042(c) and 28 TEX. ADMIN. CODE § 7.1611(d)(2), and (h), by failing to maintain proper documentation regarding semiannual reviews of its third-party administrator.
11. AFSLIC violated TEX. INS. CODE § 4151.1042(c) and 28 TEX. ADMIN. CODE § 7.1611(b) by failing to perform required biennial, on-site audits of its third-party administrator.
12. AFSLIC violated TEX. INS. CODE § 38.001 by failing to respond to multiple TDI inquiries.
13. AFSLIC violated TEX. INS. CODE §§ 823.051 and 823.055(b), and 28 TEX. ADMIN. CODE §§ 7.202(b)(1), 7.203(g), and 7.210, by failing to timely file Form B registration statements for 2020, 2022, and 2023.
14. Pursuant to TEX. INS. CODE § 82.053, the commissioner is authorized to direct AFSLIC to make complete restitution to each Texas resident, insured, and entity operating in this state, harmed by the violations.

Order

It is ordered that American Financial Security Life Insurance Company must comply with the following compliance plan:

1. Not later than 10 days from the date of this order, AFSLIC must report to TDI the name and authorization number for all third-party administrators with which it is presently contracted, and must provide a copy of the contract or agreement with each administrator.
2. Not later than 30 days from the date of this order, AFSLIC must either file with TDI:
 - a. revised and updated policy forms through SERFF disclosing to its policyholders and insureds the use and availability of any network of physicians and providers offering discounted services, as contemplated by TEX. INS. CODE § 543.002; or
 - b. documentation demonstrating that it has terminated its contract with Multiplan/PHCS network and ceased using the network.

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3. Not later than 30 days from the date of this order, AFSLIC must submit a complete Provider Network Contracting Entity Exemption of Affiliates Form (LHL715), together with the requisite fee as required by 28 TEX. ADMIN. CODE §§ 3.9803-3.9804. The form and fee must be submitted at the email address or mailing address as instructed on TDI's website.
4. Not later than 60 days from the date of this order, AFSLIC must identify the "Qualifying Claims," defined as claims handled or adjudicated by IBA on AFSLIC's behalf for the time period of July 1, 2020, to March 4, 2025 (the "Review Period"), and which were either:
 - a. paid late, i.e. not in accordance with the statutory obligations in Texas Insurance Code Chapter 542; or
 - b. improperly denied in whole or in part under the terms of the applicable AFSLIC policy.
5. Not later than 90 days from the date of this order, AFSLIC must determine and calculate:
 - a. for each late paid Qualifying Claim, all statutory interest due under Texas Insurance Code Chapter 542; and
 - b. for each Qualifying Claim that was improperly denied in whole or in part, AFSLIC must properly re-adjust the Qualifying Claim under the terms of the applicable AFSLIC policy and calculate the "Underpayment," plus statutory interest due under Texas Insurance Code Chapter 542.
6. Not later than 120 days from the date of this order, AFSLIC must make and pay restitution to the Qualifying Claimants as calculated above. The restitution must be paid in the form of a company check or account credit to the Qualifying Claimant.
7. Not later than 180 days after the date of this order, AFSLIC must report the calculated amounts to TDI in a sortable electronic spreadsheet. The spreadsheet must contain the following information:
 - a. claim number;
 - b. date of claim;
 - c. claimant name;

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- d. claimant address;
 - e. date of medical service;
 - f. policy number;
 - g. policyholder name;
 - h. policyholder address;
 - i. effective date of policy;
 - j. expiration date of policy;
 - k. amount of original claim payment, if applicable;
 - l. amount of Underpayment;
 - m. dollar amount of statutory interest;
 - n. total amount of Underpayment (if applicable) plus statutory interest;
 - o. date(s) of mailing of restitution check or issuance of credit;
 - p. the total sum of all Underpayments;
 - q. the total sum of all statutory interest; and
 - r. the total sum of all restitution paid (total Underpayments plus the total of all statutory interest).
8. Any restitution checks that are returned to AFSLIC with an address correction must be promptly resent to the correct address. Funds from any restitution checks that are returned thereafter for incorrect addresses and from checks that are not negotiated must be reported and delivered to the Texas Comptroller of Public Accounts pursuant to the procedures and deadlines set forth in TEX. PROP. CODE §§ 72.001 *et. seq.*, 73.001 *et. seq.*, and 74.001 *et. seq.*
 9. Any submissions required to be made to TDI under the terms of this order must be made solely by AFSLIC. Any submissions made by or through any third-party administrator will not be accepted by TDI and will not constitute compliance by AFSLIC with the terms of this order.
 10. Except where noted otherwise, AFSLIC must send all submissions required under the terms of this order by email to: Enforcementreports@tdi.texas.gov.

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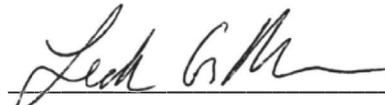
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It is further ordered that American Financial Security Life Insurance Company pay an administrative penalty of \$250,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which TDI will send after entry of this order.

Signed by:

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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:


Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division


Sarah White, Staff Attorney
Enforcement

Affidavit

STATE OF Florida §

COUNTY OF Palm Beach §

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

"My name is Michael Camilleri. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of President + CEO and am the authorized representative of American Financial Security Life Insurance Company. I am duly authorized by said organization to execute this statement.

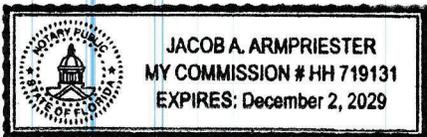
American Financial Security Life Insurance Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

[Handwritten Signature]

Affiant

SWORN TO AND SUBSCRIBED before me on January 27, 2026.

(NOTARY SEAL)



[Handwritten Signature]

Signature of Notary Public

Jacob A. ArmPriester

Printed Name of Notary Public