

No. 2018-5776

**OFFICIAL ORDER  
of the  
TEXAS COMMISSIONER OF INSURANCE**

Date: DEC 14 2018

**Subject Considered:**

OSCAR INSURANCE COMPANY  
295 Lafayette Street, Floor 6  
New York, New York 10012-2722

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 15882

**General remarks and official action taken:**

The subject of this order is whether disciplinary action should be taken against Oscar Insurance Company (Oscar).

**WAIVER**

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

Pursuant to TEX. INS. CODE § 82.055(b), Oscar agrees to this consent order with the express reservation that it does not admit to a violation of this code or of a rule. Oscar maintains the existence of a violation is in dispute.

**FINDINGS OF FACT**

1. The Texas Department of Insurance (TDI) issued Oscar life, accident, and health license no. 14475407, effective July 1, 2015. On March 1, 2016, TDI issued Oscar's utilization review agent (URA) registration no. 2072260. On April 13, 2018, Oscar changed its name from Oscar Insurance Company of Texas to Oscar Insurance Company.
2. A URA must provide TDI copies of its adverse determination, appeal acknowledgement, and appeal determination template letters (template letters) when it files its original application, as well as its biennial renewal application.
3. On February 14, 2018, Oscar submitted its URA registration renewal application to TDI and reported no material changes to its template letters.

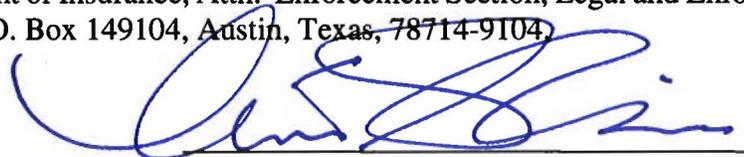
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4. On February 20, 2018, upon TDI's request, Oscar submitted its URA registration update application to TDI, which included copies of template letters TDI had not previously approved.
5. Between March 1, 2016, and February 13, 2018, Oscar issued 761 adverse determinations using template letters that contained material changes that TDI had not reviewed and approved. Consequently, Oscar did not provide its enrollees with complete and accurate information about their adverse determination appeal rights.
6. On May 15, 2018, after Oscar made requested changes, TDI approved Oscar's template letters, as well as its URA certification renewal application.

#### CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.056, 84.021-84.022, 4201.101-4201.104, 4201.107, 4201.303, and 4201.603; 28 TEX. ADMIN. CODE §§ 19.1704 and 19.1709; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to informally dispose of this matter as set forth under TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 82.055 and 36.104; and 28 TEX. ADMIN. CODE § 1.47.
3. Oscar 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. Oscar violated TEX. INS. CODE § 4201.107 and 28 TEX. ADMIN. CODE § 19.1704 by not reporting material changes to the information disclosed in a form filed under TEX. INS. CODE Chapter 4201, not later than the 30<sup>th</sup> day after the date the changes took effect.
5. Oscar violated TEX. INS. CODE § 4201.303 and 28 TEX. ADMIN. CODE § 19.1709 by using unapproved adverse determination template letters.

It is ordered that Oscar Insurance Company pay an administrative penalty of \$75,000 within 30 days from the date of this order. The administrative penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Legal and Enforcement Division 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



Kent C. Sullivan  
Commissioner of Insurance

2018- 5776

APPROVED AS TO FORM AND CONTENT:

  
\_\_\_\_\_  
Jeannie Ricketts  
Staff Attorney, Enforcement Section  
Texas Department of Insurance

2018- 5776

AFFIDAVIT

STATE OF NEW YORK           §  
  §  
COUNTY OF NEW YORK       §

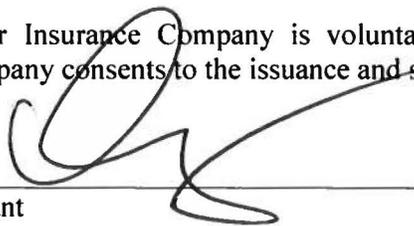
Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

“My name is Mario Schlosser. 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 Chief Executive Officer, and am the authorized representative of Oscar Insurance Company. I am duly authorized by said organization to execute this statement.

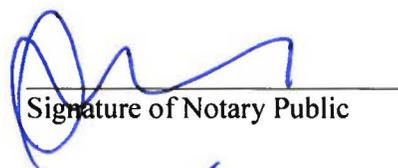
Oscar Insurance Company waives rights provided by the Texas Insurance Code and other applicable laws, and acknowledges the jurisdiction of the Texas commissioner of insurance.

Oscar Insurance Company is voluntarily entering into this consent order. Oscar Insurance Company consents to the issuance and service of this consent order.”

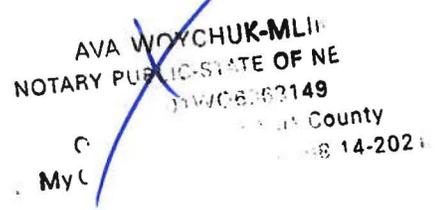
  
\_\_\_\_\_  
Affiant

SWORN TO AND SUBSCRIBED before me on Sept 17, 2018.

(NOTARY SEAL)

  
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Signature of Notary Public

**AVA WOYCHUK-MLINAC**  
**NOTARY PUBLIC-STATE OF NEW YORK**  
**No. 01WO6363149**  
**Qualified in New York County**  
**My Commission Expires 08-14-2021**

  
AVA WOYCHUK-MLINAC  
NOTARY PUBLIC-STATE OF NE  
01WO6363149  
New York County  
08-14-2021