

No. **2026-9895**

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

**Date: 04/24/2026**

**Subject Considered:**

Texas Department of Insurance

v.

Triada Health, LLC

SOAH Docket No. 454-24-12595.C

**General Remarks and Official Action Taken:**

The subject of this order is the disciplinary action concerning Triada Health, LLC (Triada) on the basis of allegations of engaging in the business of insurance without a license and failing to provide information the Texas Department of Insurance (TDI) requested. This order (1) assesses a \$50,000 administrative penalty against Triada, and (2) orders Triada to cease and desist from activity in violation of the Insurance Code.

**Background**

After proper notice was given, the above-styled case was heard by an administrative law judge for the State Office of Administrative Hearings. The administrative law judge made and filed a proposal for decision containing a recommendation that TDI assess a \$12,500 administrative penalty against Triada. A copy of the proposal for decision is attached as Exhibit A.

TDI Enforcement staff filed exceptions to the administrative law judge's proposal for decision. Triada filed two sets of exceptions to the proposal for decision. TDI Enforcement staff filed a reply to Triada's exceptions and an objection to attachments that were included with Triada's second set of exceptions.

In response to the exceptions, the administrative law judge recommended revising the proposal for decision by adding a new conclusion of law saying that Triada should be ordered to cease and desist from activity in violation of the Insurance Code. A copy of the administrative law judge's response to the exceptions is attached as Exhibit B.

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TDI adopts the administrative law judge's proposed findings of fact and conclusions of law, with a change to proposed Conclusion of Law No. 17 as described in this order.

### **Legal Authority for Changes to the Proposal for Decision**

The legal authority for the changes to the proposal for decision made in this order is Government Code § 2001.058(e)(1), which provides that "[a] state agency may change a finding of fact or conclusion of law made by the administrative law judge, or may vacate or modify an order issued by the administrative judge, only if the agency determines . . . that the administrative law judge did not properly apply or interpret applicable law, agency rules, written policies [of the agency], or prior administrative decisions . . . ."

#### Appropriate Sanction

As provided by *Tex. State Bd. of Dental Exam'rs v. Brown*,<sup>1</sup> determination of the appropriate sanction is within the commissioner's discretion. *Brown* cites a line of cases holding that "[T]he choice of penalty is vested in the agency, not in the courts,"<sup>2</sup> "The agency is charged by law with discretion to fix the penalty when it determines that the statute has been violated,"<sup>3</sup> and "The [agency] 'is not required to give presumptively binding effect to an ALJ's recommendation regarding sanctions in the same manner as with other findings of fact and conclusions of law.'"<sup>4</sup> On the basis of these cases, *Brown* concludes that the mere labeling of a recommended sanction as a conclusion of law or as a finding of fact does not change the effect of the administrative law judge's recommendation, and it is the agency, not the administrative law judge, that is the decision-maker concerning sanctions.

Further, while the administrative law judge purported to weigh the factors required to be considered under Insurance Code § 84.022(b), the recommended administrative penalty amount of \$12,500 does not accurately address the seriousness of the violation, the need to deter future violations, or whether the violation was intentional. This failure

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<sup>1</sup> 281 S.W.3d 692 (Tex. App.—Corpus Christi 2009, pet. denied).

<sup>2</sup> *Brown* at 697, quoting *Sears v. Tex. State Bd. of Dental Exam'rs*, 759 S.W.2d 748, 751 (Tex.App.—Austin 1988, no pet).

<sup>3</sup> *Id.*, quoting *Sears*, which cited *Firemen's & Policemen's Civil Serv. Comm'n v. Brinkmeyer*, 662 S.W.2d 953, 956 (Tex. 1984).

<sup>4</sup> *Id.*, quoting *Granek v. Tex. State Bd. of Med. Exam'rs*, 172 S.W.3d 761, 781 (Tex.App.—Austin 2005, pet. denied).

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to accurately weigh the factors under Insurance Code § 84.022(b) is a misapplication of law that warrants a change to proposed Conclusion of Law No. 17 under Government Code § 2001.058(e)(1).

The unauthorized practice of insurance is a serious offense that deprives Texas consumers of the Insurance Code's protections, and Texas law seeks to protect Texas consumers from unauthorized insurance schemes by maintaining fair and honest insurance markets; protecting the premium tax revenues of this state; protecting authorized persons and insurers, who are subject to strict regulation, from unfair competition by unauthorized persons and insurers; and protecting against evasion of the insurance regulatory laws of this state.<sup>5</sup> In addition, Texas law seeks to protect consumers in other states by establishing that Texas will not be a safe harbor for persons or insurers engaged in the unauthorized business of insurance in Texas, regardless of whether the insureds or other persons affected by the unauthorized business of insurance are residents of Texas.<sup>6</sup>

Barry Glenn, the owner of Triada, was aware of these protections intended by Texas law because they are stated in Findings of Fact Nos. 3 and 4 in Commissioner Order No. 2022-7308, the consent order that he signed on April 12, 2022, to resolve a separate proceeding addressing the unauthorized practice of insurance by him and a company that belonged to him.<sup>7</sup>

Further, Triada intentionally engaged in the business of insurance without a license,<sup>8</sup> and Triada made no efforts to correct this violation of the Insurance Code.<sup>9</sup> This occurred even while Mr. Glenn and his other company were in the process of entering into a consent order with TDI for the same acts. In addition, during the contested case hearing Triada used apparently made-up case law to defend its practices.<sup>10</sup>

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<sup>5</sup> Insurance Code § 101.001(b).

<sup>6</sup> Insurance Code § 101.001(d).

<sup>7</sup> See TDI Exhibit 3 and Proposal for Decision, proposed Finding of Fact Nos. 3 and 12.

<sup>8</sup> See Proposal for Decision, proposed Finding of Fact No. 14.

<sup>9</sup> See Proposal for Decision, proposed Finding of Fact No. 13.

<sup>10</sup> See Proposal for Decision, page 9:

Triada also argues, "Similarly, in *National Western Life Ins. Co. v. State Bd. Of Ins.*, 899 S.W.2d 900 (Tex. App.—Austin 1995, no writ), the court distinguished between solicitation and informational communication, holding that solicitation requires an intent to induce a specific transaction."

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These factors weigh in favor of imposing a higher administrative penalty than that proposed by the administrative law judge to address Triada's acts and to prevent future violations. Because of this, the administrative penalty imposed on Triada by this order is \$50,000. This amount is the maximum amount allowed by Insurance Code § 84.022 per violation, taking into consideration that Triada committed at least two violations that constituted engaging in the unauthorized business of insurance, as addressed in proposed Findings of Fact Nos. 4–7: one violation for the statements posted on its website as identified in proposed Finding of Fact No. 4 and one violation for receiving or collecting consideration for insurance, as addressed in proposed Finding of Fact No. 6.

### **Findings of Fact**

The proposed findings of fact contained in Exhibit A are adopted and incorporated by reference into this order.

### **Conclusions of Law**

1. Proposed Conclusions of Law Nos. 1-16 and 18 as contained in Exhibit A as revised consistent with Exhibit B are adopted and incorporated by reference into this order.
2. In place of proposed Conclusion of Law No. 17 as contained in Exhibit A, the following conclusion of law is adopted:

Considering the relevant factors, the Commissioner should assess a \$50,000 administrative penalty against Triada.

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However, the case found at 899 S.W.2d 900 is a Missouri case involving a quitclaim deed. The ALJ cannot find any similarly-captioned case with a holding similar to what Triada cites.

See also Proposal for Decision, page 10:

Similarly, the third case Triada cites for the proposition that advertising does not constitute transacting insurance, also does not appear to exist. Triada cites *State ex rel. Collins v. Continental Assurance Co.*, 417 S.W.2d 827 (Tex. Civ. App.—Houston [1st Dist.] 1967, writ ref'd n.r.e.). But although there is a 1967 Houston court of appeals case found at 417 S.W.2d 827, it does not have that caption and has nothing to do with insurance.

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**Order**

It is ordered that Triada Health, LLC pay an administrative penalty of \$50,000 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.

It is further order that Triada Health, LLC cease and desist from all activity in violation of the Insurance Code.

Signed by:  
*Amanda Crawford*  
FE10434BC41A470...  
Amanda Crawford  
Commissioner of Insurance

Recommended and reviewed by:

Signed by:  
*Jessica Barta*  
5DAC5818BBC74D4...  
Jessica Barta, General Counsel

Signed by:  
*Justin Beam*  
27ADF3DA6BAF4B7...  
Justin Beam, Chief Clerk

**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

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**TEXAS DEPARTMENT OF INSURANCE,  
PETITIONER  
v.  
TRIADA HEALTH, LLC,  
RESPONDENT**

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**PROPOSAL FOR DECISION**

Staff of the Texas Department of Insurance (Department) seeks to discipline Respondent Triada Health, LLC (Triada) based on allegations of engaging in the business of insurance without a license and failing to provide information requested by the Department. After considering the evidence and applicable law, the Administrative Law Judge (ALJ) finds that Staff proved the violations and recommends that the Commissioner of Insurance (Commissioner)<sup>1</sup> assess a \$12,500 administrative penalty against Triada.

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<sup>1</sup> The Commissioner is the chief executive and administrative officer of the Department. Tex. Ins. Code § 31.021.

**I. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY**

The hearing on the merits convened on June 9, 2025, before ALJ Rebecca S. Smith. During the hearing, it became clear that Triada had not served Staff with its exhibits, so the hearing was adjourned and reconvened on June 23, 2025. At both hearings, attorney Stephanie Andrews represented Staff, and Triada's owner, Barry Glenn, represented Triada. The record closed on August 25, 2025, with the filing of reply briefs.

**II. APPLICABLE LAW**

Texas Insurance Code section 101.102 prohibits a person, including an insurer, from directly or indirectly doing an act that constitutes the business of insurance without authorization. The business of insurance includes the following:

- making or proposing to make, as an insurer, an insurance contract;
- taking or receiving an insurance application;
- receiving or collecting any consideration for insurance;
- directly or indirectly acting as an agent for or otherwise representing or assisting an insurer or person in, among other things, soliciting, negotiating, procuring, or effectuating insurance or a renewal of insurance;
- disseminating information relating to coverage or rates;
- setting a rate; or
- contracting to provide in this state indemnification or expense reimbursement by direct payment, reimbursement, or otherwise to a person domiciled in this state or for a risk located in this state,

whether as an insurer, agent, administrator, trust, or funding mechanism or by another method.<sup>2</sup>

Triada argued that the Department cannot regulate its actions because of federal preemption under the Employee Retirement Income Security Act of 1974 (ERISA), found at 29 U.S.C. section 1001 *et seq.* The relevant ERISA provisions will be set out as part of the preemption discussion in section IV.B.

Additionally, under the Insurance Code, a person or insurer who receives a written request from the Department for information must respond to that request within 15 days.<sup>3</sup> Failure to provide the requested information is considered a violation.<sup>4</sup>

### III. EVIDENCE

Staff presented the testimony of its investigator, Rodolfo Dehoyos, and offered fourteen exhibits, which were admitted. Mr. Glenn testified on behalf of Triada, and formally offered two exhibits, which were admitted.<sup>5</sup>

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<sup>2</sup> Tex. Ins. Code § 101.051(b)(1),(3),(4),(6)(A), (B), (F),(7).

<sup>3</sup> Tex. Ins. Code § 101.104(b).

<sup>4</sup> Tex. Ins. Code § 101.104(c).

<sup>5</sup> Several documents that Mr. Glenn suggested he wanted to offer either were not submitted via Kiteworks, as the scheduling order required, or had not been produced in discovery. He did not formally offer those documents as exhibits.

**A. STAFF’S EVIDENCE**

Mr. Dehoyos largely testified about the contents of Triada’s website. After noting what appears to be Triada’s slogan —“Insurance that works as hard as you do”<sup>6</sup> — he identified the following statements on the website in 2022 as examples of Triada offering or soliciting an insurance contract or insurance business:

- By providing outstanding coverage, affordable prices, and simple hassle-free policies, Triada is reinventing the way insurance works for everyone.<sup>7</sup>
- We believe that using your insurance shouldn’t be hard. Explore our collection of insurance products to find the information you need to understand your coverage.<sup>8</sup>
- GAP insurance works with your insurance to help cover the portions of your medical expenses that you would normally be expected to pay for on your own. If you experience an injury or illness covered by your health insurance, Triada will pay up to your maximum benefit.<sup>9</sup>
- Accidents happen. When they happen to you, make sure that you’re protected from the financial strain with accident coverage by Triada. Our accident insurance will pay you a fixed amount of money if you suffer and require treatment for a wide variety of unforeseen injuries.<sup>10</sup>
- Severe illness can be devastating to your health and finances. Luckily, a critical illness insurance product through Triada can provide you and your family with the financial assistance you need

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<sup>6</sup> Transcript (Tr.) Vol. 1 at 23; TDI Ex. 5 at 029.

<sup>7</sup> Tr. Vol. 1 at 23-24; TDI Ex. 5 at 043.

<sup>8</sup> Tr. Vol. 1 at 24; TDI Ex. 5 at 030.

<sup>9</sup> Tr. Vol. 1 at 25; TDI Ex. 5 at 046.

<sup>10</sup> Tr. Vol. 1 at 26-27; TDI Ex. 5 at 051.

to cover your deductibles, co-pays, and other medical expenses related to your illness.<sup>11</sup>

- Short-term disability insurance by Triada will pay you a portion of your income if a sickness or injury leaves you disabled for an extended period.<sup>12</sup>

He also described some of these statements as offers to reimburse or indemnify a medical expense and testified that many of these statements remained on Triada’s website when he revisited it in 2024.<sup>13</sup>

Mr. Dehoyos noticed some changes in Triada’s website over the years, however. For example, he testified that in 2022, Triada’s website stated, “Group insurance policies are underwritten [by] Triada Health.”<sup>14</sup> In 2024, it read, “Group certificates of coverage are underwritten [by] Triada Health. Product offerings may vary depending on state laws and regulations.”<sup>15</sup> The statement “[p]roduct offerings may vary depending on state laws and regulations” appears on several other screenshots, as well.<sup>16</sup>

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<sup>11</sup> Tr. Vol. 1 at 27; TDI Ex. 5 at 053.

<sup>12</sup> Tr. Vol. 1 at 28; TDI Ex. 5 at 054.

<sup>13</sup> Tr. Vol. 1 at 32.

<sup>14</sup> Tr. Vol. 1 at 33; TDI Ex. 5 at 054.

<sup>15</sup> Tr. Vol. 1 at 34; TDI Ex. 6 at 116.

<sup>16</sup> Tr. Vol. 1 at 34-35; TDI Ex. 6 at 118, 130, 133.

He also testified that Triada did not comply with the Department's requests for information.<sup>17</sup> For example, although the Department requested that Triada provide it with policies, Triada never provided any.<sup>18</sup> He testified that although Triada provided two lists of clients,<sup>19</sup> showing 168 clients, Mr. Glenn's tax returns<sup>20</sup> showed a large amount of total sales, which suggested that the lists of clients were incomplete.<sup>21</sup> On cross examination, however, he admitted that the list of companies Triada provided could be complete if its only customers were companies.<sup>22</sup>

Mr. Dehoyos also testified that Triada has never held a Department license<sup>23</sup> and that because of a consent order, Mr. Glenn may not hold an insurance license in Texas for ten years.<sup>24</sup> In that consent order, Mr. Glenn and another of his companies, Triada Assurance Holdings LLC d/b/a Salvasen Health, agreed that they had been engaging in acts constituting the business of insurance without a license. Similarly, Salvasen Health's position was that the plans it was selling were not subject to state regulation.<sup>25</sup>

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<sup>17</sup> Tr. Vol. 1 at 42.

<sup>18</sup> Tr. Vol. 2 at 85.

<sup>19</sup> TDI Exs. 10, 13.

<sup>20</sup> TDI Exs. 7, 8, 9. These exhibits are copies of schedule C (profit or loss from business) from Mr. Glenn's 2020, 2021, and 2022 tax returns, listing gross receipts or sales in the millions of dollars.

<sup>21</sup> Tr. Vol. 1 at 36-37.

<sup>22</sup> Tr. Vol. 2 at 82-83.

<sup>23</sup> Tr. Vol. 1 at 19; TDI Ex. 2.

<sup>24</sup> Tr. Vol. 1 at 20-21; TDI Ex. 3. The ten-year ban began to run on April 26, 2022. TDI Ex. 3 at 010.

<sup>25</sup> TDI Ex. 3 at 012.

**B. TRIADA’S EVIDENCE**

Mr. Glenn testified about how and why he formed Triada. When he was a licensed insurance agent,<sup>26</sup> he encountered several frustrations with supplemental health plans, such as accident, cancer, critical illness, disability, and GAP insurance.<sup>27</sup> In particular, he noticed that carriers all had strengths and weakness in their lineup, so he could not say that any carrier offered the best product by category. Second, he learned that the standard heavily front-loaded agent commission did not leave much in the fund to pay for claims, which is bad for the consumer.<sup>28</sup> He testified, too, about what led to the consent order that he and his previous company entered with the Department.

He then testified at length about his belief that the Triada plans are covered by ERISA. Triada introduced into evidence a template summary plan document, that contains no information about the contracting company, including its name. Both parties have noted details about this summary plan document.<sup>29</sup> Among those details are that the document inconsistently uses the term “plan sponsor.” On page 1 of the summary plan document, “Plan Sponsor” is defined as Triada, whereas on the next page, the “Plan Sponsor” would be the unnamed client company, and Triada is listed

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<sup>26</sup> Mr. Glenn’s general lines license expired in 2018. TDI Ex. 3 at 011.

<sup>27</sup> Tr. Vol. 2 at 95-96.

<sup>28</sup> Tr. Vol. 2 at 96-97.

<sup>29</sup> In the summary plan document, it appears the word “employee” was repeatedly replaced with the phrase “certificate holder,” such that the full name of ERISA is repeatedly set out as “Certificate Holder Retirement Income Security Act of 1974.” Resp. Ex. 1 at numbered 1, 4, 11, 36.

as the Plan Administrator.<sup>30</sup> Mr. Glenn noted that much of the language used in the summary plan document and on the site is language that ERISA plans use, as opposed to the language commonly used in the insurance plans the Department regulates.<sup>31</sup>

#### **IV. ENGAGING IN THE BUSINESS OF INSURANCE WITHOUT A LICENSE**

Whether Triada is subject to discipline for engaging in the business of insurance without a license depends on the answers to two questions. The first question is straightforward: whether Staff established that Triada engaged in the business of insurance without a license. Because both parties agreed that Triada does not hold a license, the real question is simply whether it engaged in the business of insurance. The second question is whether Triada would be exempt from any discipline because ERISA covered its actions, thus excluding it from Department regulation.

##### **A. BUSINESS OF INSURANCE**

###### **1. Staff's Arguments**

Relying largely, but not exclusively, on Triada's website, Staff argues that Triada engaged in the business of insurance. In particular, Staff alleges that, based on the website quotes that were previously set out, Triada has made or proposed to make an insurance contract, disseminated information related to coverage, solicited

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<sup>30</sup> Resp. Ex. 1 at 1-2.

<sup>31</sup> Tr. Vol. 2 at 80, 105.

insurance business, and contracted to provide indemnification or reimbursement for a medical expense, all of which fall under the definition of engaging in the business of insurance. Additionally, Staff asserts that Mr. Glenn’s tax returns show that Triada received money in exchange for insurance coverage because nothing else would explain the income.

## 2. Triada’s Arguments

For its part, Triada argues that because customers could not directly transact business on its website, it cannot be said to have engaged in the business of insurance on its site. According to Triada, “Courts have consistently held that informational or promotional content alone does not constitute the ‘business of insurance’ under Texas law unless it is couple[d] with transactional conduct such as binding coverage, collecting premiums or assuming risk.”<sup>32</sup> It cites for this proposition *American Liberty Insurance Company v. Ranzau*, 481 S.W.2d 793 (Tex. 1972). Yet *Ranzau*, which discusses uninsured motorist coverage, does not so much as address what constitutes “the business of insurance,” much less support the statement Triada asserts.

Triada also argues, “Similarly, in *National Western Life Ins. Co. v. State Bd. of Ins.*, 899 S.W.2d 900 (Tex. App.—Austin 1995, no writ), the court distinguished between solicitation and informational communication, holding that solicitation requires an intent to induce a specific transaction.” However, the case found at 899 S.W.2d 900 is a Missouri case involving a quitclaim deed. The ALJ cannot find any similarly-captioned case with a holding similar to what Triada cites.

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<sup>32</sup> Resp. Closing at 8.

Similarly, the third case Triada cites for the proposition that advertising does not constitute transacting insurance, also does not appear to exist. Triada cites *State ex rel. Collins v. Continental Assurance Co.*, 417 S.W.2d 827 (Tex. Civ. App.—Houston [1st Dist.] 1967, writ ref'd n.r.e.). But although there is a 1967 Houston court of appeals case found at 417 S.W.2d 827, it does not have that caption and has nothing to do with insurance.<sup>33</sup>

### **3. Analysis**

Setting aside the incorrect citations, the ALJ does not find support for Triada's position that a company cannot be engaged in the business of insurance based on statements on its website unless a customer can directly transact business on the site. One of the ways to engage in the business of insurance is by "disseminating information relating to coverage or rates."<sup>34</sup> Disseminating information does not require the recipient to do anything with that information. Other methods of engaging in the business of insurance are proposing to make an insurance contract or soliciting insurance. Those are both actions taken by one party; whether conduct is proposing or soliciting does not depend on what the recipient does. Thus, contrary to Triada's position, nothing in the Insurance Code suggests that statements proposing to make an insurance contract or soliciting insurance do not count as engaging in the business of insurance if a customer has to take an additional step to purchase insurance.

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<sup>33</sup> See *Montclair Corp. v. Earl N. Lightfoot Paving Co.*, 417 S.W.2d 820, 827 (Tex. App.—Houston 1967, writ ref'd n.r.e.).

<sup>34</sup> Tex. Ins. Code § 101.051(b)(6)(B).

And the ALJ finds that Staff has established that Triada made such statements. As set out in Mr. Dehoyos's testimony, Triada's website contains many statements that disseminate information related to coverage, solicit insurance business, and propose to make an insurance contract. Examples of these are:

- Accidents happen. When they happen to you, make sure that you're protected from the financial strain with accident coverage by Triada. Our accident insurance will pay you a fixed amount of money if you suffer and require treatment for a wide variety of unforeseen injuries.<sup>35</sup>
- Severe illness can be devastating to your health and finances. Luckily, a critical illness insurance product through Triada can provide you and your family with the financial assistance you need to cover your deductibles, co-pays, and other medical expenses related to your illness.<sup>36</sup>
- Short-term disability insurance by Triada will pay you a portion of your income if a sickness or injury leaves you disabled for an extended period.<sup>37</sup>

Additionally, through Mr. Glenn's tax returns, Staff established that Triada received monetary consideration for insurance coverage. Notably, Triada does not disagree that it received such consideration, only whether the consideration was for insurance or for an ERISA-based product.<sup>38</sup>

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<sup>35</sup> TDI Ex. 5 at 051.

<sup>36</sup> TDI Ex. 5 at 053.

<sup>37</sup> TDI Ex. 5 at 054.

<sup>38</sup> Tex. Ins. Code § 101.051(b)(4).

**B. ERISA**

Triada contends that its actions are governed by ERISA and are thus exempt from Department regulation. ERISA supersedes “any and all State laws insofar as they may now or hereafter relate to any employee benefit plan described in section 1003(a) of this title[.]”<sup>39</sup> Section 1003 sets out that ERISA applies to “any employee benefit plan” established or maintained by an employer engaged in commerce or any activity affecting commerce, with certain exceptions.<sup>40</sup> “Employee welfare benefit plan” is defined as:

any plan, fund, or program which was heretofore or is hereafter established or maintained by an employer or by an employee organization, or by both, to the extent that such plan, fund, or program was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, (A) medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs, or day care centers, scholarship funds, or prepaid legal services, or (B) any benefit described in section 186(c) of this title (other than pensions on retirement or death, and insurance to provide such pensions).<sup>41</sup>

Thus, if Triada can show that what it offers and provides is an “employee benefit plan,” its actions are not subject to Department regulation. Placing the burden on the respondent to plead and prove the applicability of ERISA preemption

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<sup>39</sup> 29 U.S.C. § 1144(a).

<sup>40</sup> 29 U.S.C. § 1003(a).

<sup>41</sup> 29 U.S.C. § 1002(1).

is consistent with the United States Supreme Court’s statement in *Metropolitan Life Insurance Co. v. Massachusetts* that “[t]he presumption is against pre-emption.” 471 U.S. 724, 741 (1985).<sup>42</sup>

Both parties have discussed a provision in the federal ERISA rules called the safe harbor rule. The relevant part of this rule states:

For purposes of title I of the Act and this chapter, the terms “employee welfare benefit plan” and “welfare plan” shall not include a group or group-type insurance program offered by an insurer to employees or members of an employee organization, under which

1. No contributions are made by an employer or employee organization;
2. Participation [in] the program is completely voluntary for employees or members;
3. The sole functions of the employer or employee organization with respect to the program are, without endorsing the program, to permit the insurer to publicize the program to employees or members, to collect premiums through payroll deductions or dues checkoffs and to remit them to the insurer; and
4. The employer or employee organization receives no consideration in the form of cash or otherwise in connection with the program, other than reasonable compensation, excluding any profit, for administrative services actually rendered in connection with payroll deductions or dues checkoffs.<sup>43</sup>

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<sup>42</sup> See also *Gorman v. Life Ins. Co. of N. Am.*, 811 S.W.2d 542, 546 n.7 (Tex. 1991).

<sup>43</sup> 29 C.F.R. § 2510.3-1(j).

Although they disagree about the consequences, Triada and Staff both contend that Triada’s plan, as described in the summary plan document,<sup>44</sup> meets the safe harbor exemption. They both contend that under the summary plan document, the employer does not contribute, participation is voluntary, the employer has no functions with the plan beyond those set out in the rule, and the employer receives no consideration for the program.

Triada’s position is that a plan that falls under the safe harbor rule is exempt from state regulation. In particular, it argues:

ERISA’s safe harbor exemption is designed to protect self-funded employee welfare benefit plans from state insurance regulations, ensuring that these plans are governed exclusively by federal standards. This exemption is codified in the ERISA statute and further clarified by Department of Labor regulations, which outline the criteria that a plan must meet to qualify for this protection.<sup>45</sup>

But Triada’s position is contrary to the rule’s language. Instead, the safe harbor exemption exempts a plan from ERISA’s coverage. If a plan meets the four factors set out in the safe harbor exemption, then it is not an employee welfare benefit plan.<sup>46</sup> And thus it is not regulated by ERISA. This plain reading of the regulation is consistent with Staff’s interpretation and with that of the courts, as well.<sup>47</sup> Thus,

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<sup>44</sup> Resp. Ex. 1. Respondent’s Exhibit 1 is a generic template and not an executed contract.

<sup>45</sup> Triada’s Closing at unnumbered page 6.

<sup>46</sup> 29 C.F.R. §2510.3-1(j).

<sup>47</sup> See *McNeil v. Time Ins. Co.*, 205 F.3d 179, 190 (5th Cir. 2000) (stating that “[t]o qualify as an ERISA plan, the plan **cannot** fall within the Department of Labor’s ‘safe harbor’ exclusion”) (emphasis added).

Triada’s assertion of ERISA preemption does not prevent the Department from regulating it, and does not provide a defense to engaging in the business of insurance without a license. In summary, Staff has established a violation.

**V. FAILURE TO COMPLY WITH REQUEST FOR INFORMATION**

Staff’s second claim is that Triada failed to comply with its request for information, including failing to provide evidence to support its claim that it is exempt from Department regulation. As set out above, a person or company is required to provide documents that are responsive to the Department’s requests.<sup>48</sup> Mr. Dehoyos testified that although Triada provided a list of clients, it failed to provide any policies. Triada does not dispute this, other than to assert its exemption under ERISA. Staff has established this violation.

**VI. DUE PROCESS AND OTHER CONSTITUTIONAL CHALLENGES**

Triada also argues that the Department’s conduct violates its constitutional right to due process. The Supreme Court of Texas has held that an executive branch administrative agency (such as SOAH) lacks the ultimate power to determine constitutional challenges and interpretation, and jurisdiction over constitutional questions vests exclusively in the judicial branch. *City of Dallas v. Stewart*, 361 S.W.3d 562, 568, 578-79 (Tex. 2012) (questions of constitutionality are exclusive to the judiciary and “outside the competence of administrative agencies”). Therefore, Triada’s arguments related to due process cannot be addressed in this proceeding.

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<sup>48</sup> Tex. Ins. Code § 101.104.

## VII. PENALTY

The Commissioner may impose an administrative penalty for violation of the Insurance Code.<sup>49</sup> A penalty may be imposed on an unauthorized person, which includes an individual or corporation who improperly conducts insurance business.<sup>50</sup>

A penalty may not exceed \$25,000 and must be based on the following:

1. the seriousness of the violation, including:
  - (A) the nature, circumstances, extent, and gravity of the violation; and
  - (B) the hazard or potential hazard created to the health, safety, or economic welfare of the public;
2. the economic harm to the public interest or public confidence caused by the violation;
3. the history of previous violations;
4. the amount necessary to deter a future violation;
5. efforts to correct the violation;
6. whether the violation was intentional; and
7. any other matter that justice may require.<sup>51</sup>

Staff requests the maximum \$25,000 penalty. Neither party addressed the relevant factors. Nevertheless, the ALJ finds it necessary to review these factors to determine the appropriate penalty. First, engaging in the business of insurance without a license is serious. However, there was no evidence of hazard or potential

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<sup>49</sup> Tex. Ins. Code § 84.021.

<sup>50</sup> Tex. Ins. Code §§ 84.021, 83.001(3).

<sup>51</sup> Tex. Ins. Code § 84.022(b).

hazard, and no evidence about the economic harm to the public interest or public confidence. Although Triada itself does not have a history of previous violations, its owner has a history of a similar violation. Staff did not provide evidence about the amount necessary to deter a future violation, except to note that the cease and desist order issued to Mr. Glenn and his previous company did not deter the conduct. Triada made no efforts to correct the violation. Triada intentionally engaged in the business of insurance without a license, although to the extent there was a good faith belief that its products fell under ERISA, that should reduce the penalty. However, Triada's failure to produce signed copies of policies suggests that it should not be given the benefit of the doubt. After balancing all the factors, the ALJ recommends the assessment of a \$12,500 administrative penalty.

In its Original Petition, Staff also requests that a recommendation that the Commissioner enter a cease and desist order. The Commissioner has the authority to issue such an order,<sup>52</sup> which is appropriate here.

Staff also requests that Triada be ordered to pay restitution to any victims. As the victims and the nature of any harm was not established, the ALJ cannot make a finding on the appropriateness of this sanction.

## **VIII. FINDINGS OF FACT**

1. Triada Health, LLC (Triada) does not hold a license issued by the Texas Department of Insurance (Department).

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<sup>52</sup> Tex. Ins. Code § 82.052(2). See also Tex. Ins. Code §82.002(b)(2)(A) (applying sanctions to an individual or corporation that is engaged in the business of insurance).

2. Triada's owner, Barry Glenn, previously held a Department license, which expired in 2018.
3. In 2022, Mr. Glenn and his previous company, Salvasen Health, entered into a consent order with the Commissioner of the Department.
4. In 2022, Triada's website contained the following statements:
  - By providing outstanding coverage, affordable prices, and simple hassle-free policies, Triada is reinventing the way insurance works for everyone.
  - We believe that using your insurance shouldn't be hard. Explore our collection of insurance products to find the information you need to understand your coverage.
  - GAP insurance works with your insurance to help cover the portions of your medical expenses that you would normally be expected to pay for on your own. If you experience an injury or illness covered by your health insurance, Triada will pay up to your maximum benefit.
  - Accidents happen. When they happen to you, make sure that you're protected from the financial strain with accident coverage by Triada. Our accident insurance will pay you a fixed amount of money if you suffer and require treatment for a wide variety of unforeseen injuries.
  - Severe illness can be devastating to your health and finances. Luckily, a critical illness insurance product through Triada can provide you and your family with the financial assistance you need to cover your deductibles, co-pays, and other medical expenses related to your illness.
  - Short-term disability insurance by Triada will pay you a portion of your income if a sickness or injury leaves you disabled for an extended period.
5. These statements showed that Triada was proposing to make, as an insurer, an insurance contract; directly or indirectly acting as an agent for or otherwise representing or assisting an insurer or person in among other things, soliciting, negotiating, procuring, or effectuating insurance or a renewal of insurance; and disseminating information relating to coverage or rates.
6. Triada also received or collected consideration for insurance.

7. By taking these actions, Triada engaged in the business of insurance without Department authorization.
8. Under Triada's summary plan document, the employer does not contribute, employee participation is voluntary, the employer has no functions with the plan beyond those set out in the rule, and the employer receives no consideration for the program.
9. In response to a request for information from the Department, Triada provided a list of clients, but it did not provide any policies.
10. Engaging in the business of insurance without a license is serious, although there was no evidence of hazard or potential hazard.
11. Economic harm to the public interest or public confidence was not established.
12. Although Triada itself does not have a history of previous violations, its owner has a history of a similar violation, and a previous consent order entered against Triada's owner did not deter the conduct in this case.
13. Triada made no efforts to correct the violation.
14. Triada intentionally engaged in the business of insurance without a license.
15. On April 28, 2025, Staff of the Department mailed a notice of hearing to Triada. The notice of hearing contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and either a short, plain statement of the factual matters asserted or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.
16. The hearing on the merits convened on June 9, 2025, before Administrative Law Judge Rebecca S. Smith. During the hearing, it became clear that Triada had not served Staff with its exhibits, so the hearing was adjourned and reconvened on June 23, 2025. At both hearings, attorney Stephanie Andrews represented Staff, and Mr. Glenn represented Triada. The record closed on August 25, 2025, with the filing of reply briefs.

**IX. CONCLUSIONS OF LAW**

1. The Department has jurisdiction over this matter. Tex. Ins. Code §§ 101.001, .103.
2. The Commissioner of Insurance is the chief executive and administrative officer of the Department. Tex. Ins. Code § 31.021.
3. The State Office of Administrative Hearings (SOAH) has authority to hear this matter and issue a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003.
4. Triada received timely and sufficient notice of hearing. Tex. Gov't Code §§ 2001.051-.052.
5. Staff had the burden of proof to establish grounds for disciplinary action against Triada. 1 Tex. Admin. Code § 155.427.
6. The standard of proof is by a preponderance of the evidence. *Granek v. Texas State Bd. of Med. Examin'rs*, 172 S.W.3d 761, 777 (Tex. App. — Austin 2005, no pet.).
7. SOAH lacks jurisdiction to hear constitutional challenges. *City of Dallas v. Stewart*, 361 S.W.3d 562, 568, 578-79 (Tex. 2012).
8. A person, including an insurer, may not directly or indirectly do an act that constitutes the business of insurance without authorization. Tex. Ins. Code § 101.102.
9. The business of insurance includes the following:
  - making or proposing to make, as an insurer, an insurance contract;
  - taking or receiving an insurance application;
  - receiving or collecting any consideration for insurance;
  - directly or indirectly acting as an agent for or otherwise representing or assisting an insurer or person in, among other things, soliciting, negotiating, procuring, or effectuating insurance or a renewal of insurance;

- disseminating information relating to coverage or rates;
- setting a rate; or
- contracting to provide in this state indemnification or expense reimbursement by direct payment, reimbursement, or otherwise to a person domiciled in this state or for a risk located in this state, whether as an insurer, agent, administrator, trust, or funding mechanism or by another method.

Tex. Ins. Code § 101.051(b)(1),(3),(4),(6)(A)(B)(F),(7).

10. The federal Employee Retirement Income Security Act of 1974 (ERISA) preempts state laws related to any employee benefit plan described in section 29 U.S.C. § 1003(a). 29 U.S.C. § 1144(a).
11. Under ERISA’s safe harbor rule found at 29 C.F.R. § 2510.3-1(j), an employer-offered group insurance program is not an “employee welfare benefit plan” and “welfare plan” if the following factors are met:
  - (1) No contributions are made by an employer or employee organization;
  - (2) Participation [in] the program is completely voluntary for employees or members;
  - (3) The sole functions of the employer or employee organization with respect to the program are, without endorsing the program, to permit the insurer to publicize the program to employees or members, to collect premiums through payroll deductions or dues checkoffs and to remit them to the insurer; and
  - (4) The employer or employee organization receives no consideration in the form of cash or otherwise in connection with the program, other than reasonable compensation, excluding any profit, for administrative services actually rendered in connection with payroll deductions or dues checkoffs.
12. Because, as set out in the summary plan document, the safe harbor provisions are met, Triada’s plan is not an employee welfare benefit plan for purposes of ERISA.
13. Because Triada’s product is not an employee welfare benefit plan, ERISA does not preempt state regulation of Triada’s plan. 29 U.S.C. § 1144(a).

14. A person or insurer who receives a written request from the Department for information must respond to that request within 15 days. Failure to provide the requested information is a violation. Tex. Ins. Code § 101.104(b), (c).
15. The Commissioner may impose an administrative penalty for violations of the Insurance Code. Tex. Ins. Code § 84.021.
16. A penalty may not exceed \$25,000 and must be based on the following:
  - the seriousness of the violation, including the nature, circumstances, extent, and gravity of the violation; and the hazard or potential hazard created to the health, safety, or economic welfare of the public;
  - the economic harm to the public interest or public confidence caused by the violation;
  - the history of previous violations;
  - the amount necessary to deter a future violation;
  - efforts to correct the violation;
  - whether the violation was intentional; and
  - any other matter that justice may require.

Tex. Ins. Code § 84.022(b).

17. Considering the relevant factors, the Commissioner should assess a \$12,500 administrative penalty against Triada.
18. The Commissioner may order a corporation engaged in the business of insurance to cease and desist from activity in violation of the Insurance Code. Tex. Ins. Code §§ 82.002(b)(2)(A), .052(2)(A).

**2026-9895**

**Signed October 21, 2025**

ALJ Signature:

*Rebecca S Smith*

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Rebecca Smith

Presiding Administrative Law Judge

ACCEPTED  
454-24-12595  
12/2/2025 1:21:18 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

2026-9895

**Exhibit B**

FILED  
454-24-12595  
12/2/2025 12:43 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

# State Office of Administrative Hearings

Kristofer S. Monson  
Chief Administrative Law Judge

December 2, 2025

Stephanie Andrews  
Texas Department of Insurance

VIA EFILE TEXAS

Barry Glenn  
Triada Health, LLC  
PMB 260, 15814 Champion Forest Drive  
Spring, TX 77379

VIA REGULAR MAIL

**RE: Docket Number 454-24-12595.C; TDI v. Triada Health, LLC**

Dear Parties:

The Proposal for Decision (PFD) in this case was issued on October 22, 2025. Respondent Triada Health, LLC (Triada) filed one exceptions letter on November 4, 2025, and a second exceptions letter on November 6, 2025. Staff of the Texas Department of Insurance filed an exceptions letter on November 5, 2025, and responses to Triada's exceptions on November 17, 2025.

In its first exceptions letter, Triada argued, as it did in its closing arguments, that ERISA's safe harbor provision does not remove a plan from ERISA coverage. In support it cites a case, *Gaylor v. John Hancock Mutual Life Insurance Co.*, in which the court determined that the safe harbor provision did not apply.<sup>1</sup> This issue was discussed in the PFD, and the exceptions present no reason to change that discussion.

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<sup>1</sup> *Gaylor v. John Hancock Mut. Life Ins. Co.*, 112 F.3d 460, 463 (10<sup>th</sup> Cir. 1997) ("Having determined that the safe harbor provision does not apply, . . .").

Triada's second exceptions letter notes that Triada "has been able to receive outside counsel advice from the attorney who originally provided all legal guidance for the formation of the Triada Programs." Following this advice, Triada attached several new exhibits to the letter. Because the record has already closed, those exhibits will not be considered. The ALJ will not alter the PFD based on a statement that outside counsel intended for the plans to be covered by ERISA.

Staff contends that the PFD should be amended to provide for the maximum penalty amount, to recommend issuance of a cease and desist order, to provide copies of policies and documentation to the Commissioner, and to order restitution.

The ALJ recommends amending the PFD to recommend a cease and desist order. Although the underlying findings and conclusions for such an order were included, the actual conclusion about a cease and desist order was omitted.

The ALJ will decline to recommend any other changes in response to Staff's exceptions. The ALJ declines to recommend changing the recommended penalty amount for the reasons set out in the PFD. Additionally, Staff has not cited a basis for the ALJ's authority to include an order to provide documents, so the ALJ will not recommend any changes to include such an order.

Therefore the ALJ recommends adding the following conclusion of law:

19. The Commissioner should order Triada to cease and desist from activity in violation of the Insurance Code.

No other changes are recommended, and the PFD is ready for consideration.



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Rebecca Smith,  
Presiding Administrative Law Judge