

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

In the Matter of the Acquisition of Control of)
)
Steward Health Choice, Inc.)
(NAIC No. 15081) and)
)
Titan Risk Retention Group, Inc.)
(NAIC No. 16409),)
)
Insurer,)
 By)
)
Dr. Ralph de la Torre and)
)
RDLT-SHCI Manager LLC,)
)
Petitioner.)

Docket No. 20A-034-INS

**ORDER APPROVING
ACQUISITION**

On May 6, 2020, Dr. Ralph de la Torre and RDLT-SHCI Manager LLC (“Petitioner”) submitted an application for the acquisition of control of Steward Health Choice, Inc. (SHC) and Titan Risk Retention Group, Inc. (TRRG) (together referred to as “Insurer”) to the Arizona Department of Insurance (the “Department”) for approval of Petitioner as the controlling person of the Insurer pursuant to the provisions of Arizona Revised Statutes (A.R.S.) §§20-481 through 20-481.32, Arizona Administrative Code (A.A.C.) R20-6-1402 and §20-1070.

Based upon reliable evidence provided to the Director of Insurance (“Director”) by the Assistant Director of the Financial Affairs Division of the Department, the Director finds as follows:

FINDINGS OF FACT

1. TRRG is a domestic insurer as referred to in A.R.S. §20-481.
2. SHC is a health care services organization as referred to in A.R.S. §20-1051.

1 3. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and 20-
2 481.03, in the form required by A.A.C. R20-6-1402, and §20-1070.

3 4. TRRG and its security holders waived the ten (10) day advance filing notice to be
4 given as required by A.R.S. §20-481.07(D).

5 5. The Petitioner has demonstrated that SHC will continue to maintain the
6 requirements for a certificate of authority as required by A.R.S. §20-1070(D) subsequent to the
7 change in control.

8 6. No evidence has been produced that would indicate or form the basis for a
9 finding that the Petitioner's acquisition of control of the TRRG:

10 a. Is contrary to law;

11 b. Is inequitable to the shareholders of any domestic insurer involved;

12 c. Would substantially reduce the security of and service to be rendered to the
13 policyholders of TRRG in this State or elsewhere;

14 d. After the change of control, TRRG would not be able to satisfy the requirements
15 for the reissuance of a Certificate of Authority to write the line or lines of insurance for which it
16 is presently licensed;

17 e. Would have the effect of substantially lessening competition in insurance in this
18 state, or tend to create a monopoly;

19 f. Might jeopardize the financial stability of TRRG or prejudice the interest of its
20 policyholders, based upon the financial condition of any acquiring party;

21 g. Is unfair and unreasonable to policyholders of TRRG and is not in the public
22 interest, based upon the plans or proposals that the acquiring party has to liquidate TRRG, sell
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1 its assets or consolidate or merge it with any person, or to make any other material change in
2 its business or corporate structure or management;

3 h. Would not be in the public interest of policyholders of TRRG and of the public to
4 permit the merger or other acquisition of control based upon the competence, experience and
5 integrity of those persons who would control the operation of TRRG; or

6 i. Would likely be hazardous or prejudicial to the insurance-buying public.

7 7. Regarding TRRG, the Petitioner filed the following to comply with A.R.S. §§20-
8 481.03(A)(14) and 20-481.03(A)(15):

9 a. An agreement that the Petitioner will file with the Director the annual enterprise
10 risk report pursuant to A.R.S. §20-481.10(D) while in control of TRRG; and

11 b. An acknowledgement that the Petitioner and all subsidiaries in its control in the
12 insurance holding company system will provide all information requested by the Director for the
13 Director to evaluate enterprise risk to TRRG.

14 **CONCLUSIONS OF LAW**

15 1. The application established that none of the enumerated grounds set forth in
16 A.R.S. §20-481.07(A) or §20-1070(D) exist so as to provide a basis for disapproval or rejection
17 of Petitioner's acquisition of control of the Insurer.

18 2. Petitioner presented credible evidence for approval of its acquisition of control of
19 the Insurer and the Petitioner to be a controlling person pursuant to the provisions of A.R.S.
20 §§20-481 through 20-481.32, A.A.C. R20-6-1402, and §20-1070.

21 **ORDER**

22 THEREFORE, I, SCOTT B. GREENBERG, Deputy Director of Insurance of the State of
23 Arizona, for the purpose of protecting and preserving the public health, safety and welfare, and
24

1 by virtue of the authority vested in me by A.R.S. §§20-142, 20-481 through 20-481.32, A.A.C.
2 R20-6-1402, and 20-1070 hereby order that:

3 1. The acquisition of control of the Insurer by the Petitioner is approved.

4 2. Subject to A.R.S. §20-481.21(A), all documents, materials and other information
5 that is in the possession or control of the Department and that was obtained by or disclosed to
6 the Director or any other person in the course of filing the application is confidential and
7 privileged, is not subject to Title 39, Chapter 1, Article 2 and is not subject to subpoena.

8 3. The Petitioner shall advise the Director in writing of the effective date of the
9 change of control.

10 4. Upon consummation of this acquisition, TRRG shall file its registration statement
11 in the form required by A.A.C. R20-6-1403(B) and within the time period prescribed by A.R.S.
12 §20-481.13. If the registration statement would duplicate the information previously submitted
13 by the Petitioner in the statement filed with the Department pursuant to A.R.S. §20-481.03 and
14 there have been no material changes since the filing of that statement, then TRRG shall
15 submit a statement to that effect incorporating by reference the statement previously filed with
16 the Department in lieu of the registration statement;

17 5. The failure to adhere to one or more of the above terms and conditions shall
18 result without further proceedings in the suspension or revocation of the TRRG's Certificate of
19 Authority.

20 Effective this 28th day of May, 2020.

21 
22 _____
23 **SCOTT B. GREENBERG, Deputy Director**
24 **Arizona Department of Insurance**

1 COPY of the foregoing mailed/delivered
this 1st day of June, 2020, to:

2 Tim Farber
3 Locke Lord LLP
4 111 South Wacker Drive
Chicago, Illinois 60606

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6 Maria Ailor, Assistant Director
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