



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

July 7, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

NOTICE OF FINE

TO: Dental2U, LLC	Dental2U, LLC
c/o Paul A. Granzier	c/o Paul A. Granzier
17508 Dartmouth Avenue	29605 Washington Way
Cleveland, OH 44111-3943	Westlake, OH 44145-6401
Article #7011 2970 0003 1744 0277	Article #7011 2000 0002 0449 2341

WHEREAS, IT HAS COME TO MY ATTENTION, as Commissioner of Insurance (Commissioner) of the Louisiana Department of Insurance (LDI), that Dental2U, LLC ("Dental2U") has violated certain provisions of the Louisiana Insurance Code, Title 22, La. R.S. 22:1 *et seq.* As used hereinafter, "you" and "your" refer to Dental2U.

1.

Dental2U, a limited liability company and non-resident insurer of the state of Louisiana is not licensed to sell health, accident and life insurance products in the state of Louisiana. However, Dental2U marketed and sold a prepaid dental plan in the state of Louisiana.

2.

Paul A. Granzier (hereinafter referred to as "Granzier") and Richard N. Hartman (hereinafter referred to as "Hartman") are the two officers listed in your plan of operation. The plan of operation listed a total of five (5) employees, including the aforementioned officers.

3.

Neither Granzier nor Hartman are licensed as individual producers in the state of Louisiana.

4.

On March 22, 2014, Dental2U issued a press release announcing it was "now offer[ing] comprehensive dental services to ALL residents in nursing facilities in Louisiana." The press release also stated that Dental2U is a leading provider of dental health services to nursing homes across the United States.

5.

Dental2U engaged in the business of insurance in Louisiana by marketing, selling and distributing its prepaid dental plans to residents of long-term care nursing facilities or elderly living facilities (ELFs) in south Louisiana, specifically the Baton Rouge, Greater New Orleans and northshore areas.

6.

A review of documentation submitted by you established that subscribers to the plan paid a rate of \$99.00 per month, from which one dentist received per diem pay for services rendered.

7.

On April 16, 2015, the LDI received complaint #322054 from a resident of a Louisiana nursing facility wherein several of the residents, along with complainant, subscribed to your prepaid dental plan.

8.

The complainant alleges that she and several other residents of the facility received ill-fitting dentures that were made for them through your prepaid dental plan. The complainant further alleges that the program was marketed as an insurance program.

9.

Dental2U responded to the complaint by producing treatment records which were created on May 13, 2014, evidencing that you operated in this state without the required and proper licensing for at least a year.

10.

It is therefore determined that You actively engaged in the business of insurance in Louisiana by marketing, soliciting, contracting and delivering insurance policies in the state of Louisiana and paying a provider for services rendered on those contracts from May 13, 2014 to March 4, 2015, as evidenced by the treatment records You provided for this complainant.

11.

At the time of engaging in the business of insurance in Louisiana, You had not been granted authority to transact business in this state nor had You been issued a certificate of authority as a foreign insurer under Title 22.

12.

VIOLATIONS OF THE LOUISIANA INSURANCE CODE

Dental2U violated La. R.S. 22:1152(A) in that the company acted as or held itself out to be a dental service contractor in this state without being admitted to transact business in this state or being issued a certificate of authority as a foreign insurer under Title 22.

13.

Dental 2U also acted as or held itself out to be an insurer in this state for the purpose of selling, soliciting, procuring, negotiating or placing a policy of insurance in this State, or paying any commission, or other valuable consideration to or for selling, soliciting, or negotiating insurance in this State, in violation of La. R.S. 1152(A) and La. R.S. 1546(B).

14.

Granzier and Hartman both violated La. R.S. 22:1902, La. R.S. 22:1903, and 22:1906(A) in that they both acted as agents for Dental2U, which is unauthorized to do business in Louisiana.

15.

Granzier and Hartman also violated La. R.S. 22:1543 in that they both acted as or held themselves out to be insurance producers without procuring valid licenses from the Louisiana Department of Insurance. As a result, you are not allowed to sell, solicit, make

an application for, procure, negotiate for, or place for others, any policies for any lines of insurance to which you are not qualified and duly licensed in this state.

16.

On June 11, 2015, the LDI issued a Notice of Cease and Desist Order (hereinafter "the Order"), documenting the violations of Title 22:1 *et seq.* and ordering Dental2U to immediately cease and desist from transacting any insurance business in this State, including withdrawing any funds from enrollees' bank accounts or receiving direct payment from enrollees for participation in the authorized dental insurance plan. The Order was received by Granzier on June 22, 2015.

17.

On July 10, 2015, LDI employees met with Granzier and his counsel to discuss the violations. At that meeting, Granzier stated that Dental2U received the Order on June 22, 2015, and that all operations had ceased. However, the LDI was later made aware that on or about June 25, 2015, July 3, 2015, July 23, 2015 and August 4, 2015, the Dental2U mobile unit was present at several nursing facilities in the New Orleans area and continued to provide services to enrollees. This is deemed a violation of the Order by the LDI.

18.

The LDI was also made aware that Dental2U continued to bill and collect the \$99.00 monthly premium from enrollees for the months of July 2015 and August 2015. This, too, is deemed a further violation of the Order by the LDI.

19.

On August 25, 2015, the LDI sought injunctive relief and the imposition of a \$25,000 fine against you, Granzier and Hartman based on the above actions and violations of the Order issued by the LDI.

20.

Subsequently, on August 26, 2015, a temporary restraining order (TRO) was issued by the Nineteenth Judicial Court, Parish of East Baton Rouge, restraining, enjoining and prohibiting you, Granzier, and Hartman from engaging in the business of insurance in this State and from disposing of or encumbering any funds received as a result of the illegal insurance operations that took place in this State.

21.

Since the issuance of the TRO, the LDI discussed and attempted to resolve this matter with you, Granzier and Hartman by consent agreement through the law firm of Baker Donelson Bearman Caldwell & Berkowitz, PC, but was recently informed that

they have terminated their relationship with you. Therefore, the LDI is issuing this Notice of Fine directly to you based on the above actions.

22.

DIRECTIVE

It is the finding of the Commissioner that you have committed these violations of the Louisiana Insurance Code as detailed above. Therefore, pursuant to the authority of the Commissioner found in La. R.S. 22:1 *et seq.*, specifically La. R.S. 22:18(A), Dental2U is hereby issued a **CIVIL FINE of TWENTY-FIVE-THOUSAND (\$25,000.00) DOLLARS** for violations of the aforementioned statutes, and under La. R.S. 22:16, **TWENTY-FIVE THOUSAND (\$25,000.00) DOLLARS**, for violating the Order issued on June 11, 2015.

23.

NOTICE OF APPEAL

You have the right to appeal this Notice of Fine and to be granted an administrative hearing before the Division of Administrative Law. If you wish to appeal, you must make a written demand for an appeal within thirty (30) days from the date you receive this Notice of Fine. Failure to file a written demand for an appeal within thirty (30) days from the date you receive this Notice of Fine will preclude your right to an administrative hearing before the Division of Administrative Law. The action in this letter taken by the Commissioner of Insurance against you, should you fail to timely request a hearing, will then become permanent and not subject to further appeal. Pursuant to La. R.S. 22:2191(B) your written demand for an appeal (1) shall reference the particular sections of the statutes and rules involved; (2) shall provide a short and plain statement of the matters asserted for review; and (3) shall attach a copy of the order or decision that you are appealing. Your written demand for an appeal shall be filed with BOTH the Division of Administrative Law and the Louisiana Department of Insurance at the addresses below:

Division of Administrative Law
Attn: Clerk of Court
P. O. Box 44033
Baton Rouge, LA 70804-4033
Telephone: (225) 342-1800
Fax: (225) 342-1812


Louisiana Department of Insurance
Attn: Arlene Knighten, Exec. Counsel
P. O. Box 94214
Baton Rouge, LA 70804-9214
Telephone: (225) 219-0585
Fax: (225) 342-1632

File in Person at:
1020 Florida Street
Baton Rouge, LA 70802

File in Person at:
1702 N. Third Street
Baton Rouge, LA 70802

JAMES J. DONELON
COMMISSIONER OF INSURANCE
LOUISIANA DEPARTMENT OF INSURANCE

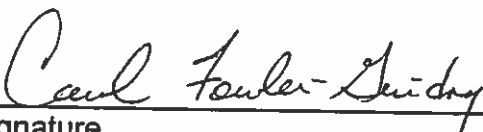
BY:



MATTHEW STEWART
DEPUTY COMMISSIONER
DIVISION OF INSURANCE FRAUD

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served this Notice of Fine upon Dental2U by personal service, private courier, or United States Postal Mail, properly addressed and sufficient postage affixed, this 7th day of July, 2017.



Signature

Carl Fowler-Gentry

Type or Print Name