



July 17, 2023

SENT VIA CERTIFIED MAIL AND FIRST-CLASS MAIL

Seguro Medico, LLC
1209 Orange Street
Wilmington, DE 19801

RE: Application for Business Entity License/Denial

This letter is to notify you that your renewal application for licensure as a business entity in South Dakota has been denied. The reason for the denial is as follows:

You submitted a renewal application for a business entity license to the South Dakota Division of Insurance ("Division") on January 28, 2022. On the application you answered "NO" to all questions. During the application review, it was discovered that the entity and its responsible producer, Arthur Walsh, have been the subject of numerous administrative actions.

Due to this discrepancy, the Division wrote to you on April 21, 2022, for an explanation regarding the incorrect information submitted with your application. You responded stating that the question was answered in error and confirmed the following administrative actions regarding Seguro Medico and Arthur Walsh:

SEGURO MEDICO

1. PA2022 No License; License Surrendered
2. LA2022 Failure to Report Other State Action; \$250 fine
3. NH2022 Misstatement on Application; Failure to Report Other State Action; Failure to Have Licensed DRLP; License Denied
4. KS2022 Misstatement on Application; Failure to Make Required Disclosure on License App; Other States Action: Consent Order, \$300 fine, License Granted
5. WA2022 Failure to Report Other State Action; Consent Order \$250 fine
6. UT2021 Allowed Business from Agent Not Appointed/Licensed; \$750 fine

ARTHUR WALSH

1. PA2022 Fraudulent/Dishonest Practices; License, Surrendered
2. LA2022 Failure to Report Other State Action; \$250 fine
3. WA2022 Failure to Report Other State Action; Consent Order, \$250 fine
4. IN2022 Demonstrated Lack of Fitness or Trustworthiness; License Suspended;



While reviewing the application, the Division received a consumer complaint, alleging that an agent of Seguro Medico, LLC had misrepresented the terms of an insurance policy. Due to this complaint the Division wrote to you several times and had several emails back and forth. After all the communications, it was discovered that the agency had not been properly maintaining records of its transactions.

Additionally, while reviewing the application, the Division became aware of a lawsuit and subsequent arbitration between Washington National Ins. Co. and Seguro Medico, where Washington National Ins. Co. is seeking over \$1.5 million dollars (\$1,500,000) in chargebacks against the agency.

Based on the above information, the renewal application is denied based upon SDCL 58-30-167(1),(2),(8),&(9); 58-30-66(1)&(2); 58-30-193; and 58-30-91; for incompleteness; violating another state's insurance laws; using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere; for having an your license revoked in another state; failing to report an administrative action to the Division within 30 days; failing to respond to the Division within 20 days; for providing the Division with incomplete information; and also for failing to maintain proper records.

Please note that this denial letter is considered an administrative action which will be reported to the database maintained by the National Association of Insurance Commissioners. If an administrative action occurs, an insurance producer may be required to report the action to all states in which an insurance license is held and in accordance with the timeframes and requirements of each state.

Pursuant to SDCL 58-30-168, you may make a written request to the Division of Insurance within thirty (30) days of the date of this denial for a hearing to determine the reasonableness of this decision to deny your application for licensure.

Sincerely,

Tony Dorschner
Assistant Director
South Dakota Division of Insurance
Department of Labor and Regulation

CC: AgentLicensing@seg-med.com ; awalsh413@aol.com