STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

MEDICAL AIR SERVICES ASSOCIATION, INC. **Enforcement Case No. 25-18215**
(Unauthorized)

Respondent.

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Issued and entered
on April 21, 2025
by Joseph A. Garcia
Senior Deputy Director

ORDER TO CEASE AND DESIST WITH STATEMENT OF FINDINGS AND NOTICE OF OPPORTUNITY FOR HEARING

Pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, and after reviewing evidence of the conduct described in the attached Statement of Findings, and

WHEREAS, the Director of the Department of Insurance and Financial Services finds that immediate action is necessary and appropriate in the public interest for the protection of the public health, safety, and welfare, and consistent with the purposes fairly intended by public policy and provisions of the Code,

IT IS ORDERED THAT:

1. Respondent shall immediately **CEASE AND DESIST** from all activities in violation of the Code as described in the Statement of Findings.

2. A copy of this Order shall be immediately served upon Respondent. This Order shall be effective upon the date of service.

3. Respondent will have 30 calendar days after the service of this Order to contest the Order or any findings in the attached Statement of Findings, by requesting a hearing. Within 10 calendar days after receiving the request, the hearing process shall commence. If a hearing is requested, an administrative law judge from the Michigan Office of Administrative Hearings and Rules shall preside over any such hearing.

4. Any such hearing held shall address the following issues:

    a. The facts set forth in the Statement of Findings.

b. The continuation of the Order to Cease and Desist.

c. Restitution to be paid by the Respondent.

5. The Director shall have five (5) business days after the hearing (if requested) to affirm, modify, or set aside in whole or in part this Order.

6. Any request for a hearing should be addressed to the Department of Insurance and Financial Services, Attention: Randie Swinson, Hearings Coordinator, P.O. Box 30220, Lansing, MI 48909-7720 or faxed to 517-284-8851.

7. **Failure to request a hearing within the period and through the procedures set forth in paragraph 3 through 6 above will result in this Order becoming FINAL. Failure to comply with this Order, including, without limitation, any failure to immediately cease and desist from the unauthorized activity and/or other unlawful conduct described in the Statement of Findings, may result in a separate administrative proceeding seeking fines and other penalties set forth in paragraph 10 below.**

8. Moreover, DIFS reserves the right to pursue additional administrative proceedings authorized by law for Respondent's alleged conduct described in the Statement of Findings. In the event that DIFS decides to proceed with further administrative action, Respondent will receive notice and the opportunity to be heard in connection with these subsequent proceedings in accordance with the Code and the Michigan Administrative Procedures Act, MCL 24.201 *et seq.*

9. The Director retains jurisdiction of the matters contained herein and the authority to issue such further Orders as shall be deemed just, necessary, and appropriate.

10. Pursuant to Section 251(6) of the Code, MCL 500.251(6), a person who violates or otherwise fails to comply with an Order to Cease and Desist is subject to one or more of the following:

a. Payment of a civil fine of not more than $1,000 for each violation not to exceed an aggregate civil fine of $30,000. However, if the person knew or reasonably should have known the conduct was in violation of the cease-and-desist order, the person shall be subject to a civil fine of not more than $25,000 for each violation not to exceed an aggregate civil fine of $250,000.

b. Suspension or revocation of the person's license or certificate of authority.

c. Complete restitution, in the form, amount, and within the period determined by the Director, to all persons in Michigan damaged by the violation or failure to comply.

Joseph A. Garcia
Senior Deputy Director

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STATEMENT OF FINDINGS

1. Pursuant to Section 251(1) of the Michigan Insurance Code (Code), MCL 500.251(1), the Director is empowered to issue a cease and desist order if the Director finds any of the following:

   (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.

   (b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.

   (c) A person is engaged in an act or practice in the business of insurance for which authority from or notification to the commissioner is required by this act and the person has not received authority or given notification.

   (d) A person authorized to engage in the business of insurance under this act is engaged in conduct that presents an immediate danger to public health, safety, or welfare. MCL 500.251(1).

2. Pursuant to Section 402 of the Code, MCL 500.402, a "person shall not act as an insurer and an insurer shall not issue a policy or otherwise transact insurance in this state except as authorized by a subsisting certificate of authority granted to it by the director under this act."

3. Pursuant to Section 402a of the Code, in Michigan, the following transactions of insurance, whether effected by mail or otherwise, require a certificate of authority:

   (a) The issuance or delivery of insurance contracts to residents of this state.

   (b) The solicitation of applications for insurance contracts from residents of this state.

   (c) The collection of premiums, membership fees, assessments, or other consideration for insurance contracts from residents of this state.

(d) The doing or proposing to do any act in substance equivalent to subdivisions (a) to (c).

4. On or about April 5, 2024, DIFS Staff received information about possible unauthorized activity by Respondent Medical Air Services Association, Inc. (Respondent MASA). DIFS Staff reviewed DIFS' records and confirmed that Respondent MASA is not authorized to act as an insurer in the state of Michigan.

5. An investigation was opened by DIFS on April 30, 2024. During the investigation, DIFS Staff discovered that Respondent acted as an insurer in the state of Michigan by soliciting applications for insurance contracts from residents in the state of Michigan, issuing and/or delivering insurance contracts to residents of the state of Michigan, and collecting premiums, membership fees, assessments, or other consideration for insurance contracts from residents of the state of Michigan. In particular, DIFS Staff found that:

(a) Respondent Medical Air Services Association, Inc. (Respondent MASA) is a foreign corporation incorporated under the laws of Oklahoma, with a principal place of business in Florida.

(b) An affiliate corporation with the same officers and principal place of business, Medical Air Services Association of Florida, Inc. (NAIC ID 52008), maintains a certificate of authority from the state of Florida, with authority to write direct and reinsurance in ambulance services.

(c) Respondent MASA maintained a website that included the following insurance references:

(i) Hyperlinks connected to buttons with the words "Get coverage" and "File a claim."

(ii) Descriptions of Respondent MASA's product as "Benefits" and "coverage" governed by a "Member Service Agreement."

(iii) Descriptions of "Emergency Air Ambulance Coverage," "Emergency Ground Ambulance Coverage," "Hospital to Hospital Ambulance Coverage," "Hospital to Rehab, Skilled Nursing, Long-Term Care or Home Transportation Coverage," and "Repatriation to Hospital Near Home Coverage," among other plans.

(iv) Respondent MASA's Member Services Agreement for Emergency Shield Membership outlines the benefits in Article II, in which Respondent MASA "shall cover Out-of-Pocket expenses incurred by the Member" in the applicable scenarios warranting indemnification. "Out-of-Pocket Expenses" are defined by the Member Services Agreement as "costs that remain after application of any primary insurance that Members need to pay with their own financial resources specifically covered under this Agreement."

(v) Respondent MASA admits to selling the Emergency Shield Membership to Michigan residents, but wrote to DIFS in a correspondence dated May 16, 2024, that it did not consider its products to be regulated insurance under Michigan law. The correspondence relied upon a Michigan Attorney General Opinion from September

16, 1988 (Opinion No. 6538), wherein the Attorney General opined that the Michigan State University Foundation's proposal to establish a private, charitable gift annuity program, with rates that were not as favorable as rates on annuities offered by commercial insurance companies, was not subject to regulation under the Code.

(vi) DIFS Staff have reviewed the legal position of Respondent MASA and do not find that Respondent MASA is similarly situated to the Michigan State University Foundation's proposal, but rather Respondent MASA is operating as an insurer without the requisite certificate of authority.

(vii) Respondent MASA has sold at least 59 Emergency Shield Membership plans to Michigan residents since 2023. Emergency Shield Membership plans in 2024 were sold for $678 for a year's worth of coverage.

6. Respondent MASA's conduct as described above constitutes acting as an insurer, soliciting applications for insurance contracts to residents of Michigan, issuing and/or delivering insurance contracts to residents of Michigan, and collecting premiums, membership fees, assessments, or other consideration for insurance contracts from residents in Michigan, all without the requisite certificate of authority, in violation of Sections 402 and 402a of the Code, MCL 500.402 and MCL 500.402a.

7. The above-described violations of Chapter 4 of the Code authorize the Director to issue a Cease and Desist Order pursuant to Section 251(1)(a) of the Code, MCL 500.251(1)(a).