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IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY

JUDITH L. FRENCH, SUPERINTENDENT, OHIO DEPARTMENT OF INSURANCE Plaintiff, v. THIN BLUE LINE BENEFITS ASSOCIATION LLC, et al. Defendants.	CASE NO. JUDGE CATEGORY H: Other Civil

PLAINTIFF'S MOTION FOR APPOINTMENT OF CONSERVATOR
AND
TEMPORARY RESTRAINING ORDER TO PRESERVE ASSETS
PURSUANT TO R.C. 3903.50

Now comes Plaintiff, Plaintiff Judith L. French, Superintendent of the Ohio Department of Insurance (the Superintendent), by counsel, and moves this Court pursuant to R.C. 3903.50(A) to appoint the Superintendent as conservator over Defendant Thin Blue Line Benefits Association LLC and Thin Blue Line Benefits Association Holdings LLC (collectively, Thin Blue Line). In addition, if the Superintendent is appointed, she moves this Court to issue a temporary restraining order pursuant to R.C. 3903.05(A) to preserve Thin Blue Line's assets during these proceedings. Ohio consumers are actively being harmed by the actions of Thin Blue Line and only immediate action can prevent that harm. A Memorandum in Support is attached, and a proposed order is being filed with this Motion.

[signature on following page]

Respectfully submitted,

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MEMORANDUM IN SUPPORT

I. Introduction

Judith L. French, Superintendent of the Ohio Department of Insurance, filed a complaint against Thin Blue Line Benefits Association LLC and Thin Blue Line Benefits Association Holdings LLC (collectively, Thin Blue Line) for unfair and deceptive acts and practices in the business of insurance.[1] The complaint seeks injunctive relief under R.C. 3901.22(H) and Civ. R. 65 to prevent Thin Blue Line from engaging in unfair and deceptive acts and practices in the business of insurance and also seeks the appointment of a conservator under R.C. 3903.50(A) to preserve Thin Blue Line's assets and thereby preserve the status quo while the appeal is pending. This Motion concerns the appointment of the Superintendent as conservator and a temporary restraining order to preserve assets while this case is pending.

[1] Contemporaneous with this Motion, the Superintendent is filing 1) the Complaint and exhibits; 2) a Motion for Temporary Restraining Order pursuant to R.C. 3901.22(H) and Civ. R. 65, exhibits, and a proposed order; and 3) a Motion to File Under Seal to seal two affidavits and exhibits filed with the Motion for Temporary Restraining Order, and a proposed order, for a total of one Complaint and three Motions.

For purposes of judicial economy, the Superintendent incorporates all factual assertions and legal arguments from its Motion for Temporary Restraining Order, as well as the affidavits and exhibits attached to that motion.

II. Law

Ohio's insurance laws are designed to protect the public from insurance companies that are in hazardous financial condition, are in danger of insolvency, or have become insolvent. An insurer operating without a required certificate of authority or license, or that becomes unable to pay its claims is an immediate danger to its policyholders and the public. For these reasons, the law allows a court to appoint the Superintendent as a conservator over a foreign insurer as described below.

A. Conservatorship

For purposes of an insurer conservatorship, the definitions of R.C. 3903.01 apply. Under R.C. 3903.01(P), "insurer" means any person who has done, purports to do, is doing, or is licensed to do an insurance business, and is or has been subject to the authority of, or to liquidation, rehabilitation, reorganization, supervision, or conservation by, any insurance commissioner, superintendent, or equivalent official. Under R.C. 3903.01(H), "doing business" includes any of the following acts:

1. The issuance or delivery of contracts of insurance to persons resident in this state;

2. The solicitation of applications for such contracts, or other negotiations preliminary to the execution of such contracts;

3. The collection of premiums, membership fees, assessments, or other consideration for such contracts;

4. The transaction of matters subsequent to execution of such contracts and arising out of them.

And under R.C. 3903.03, a conservatorship proceeding authorized by R.C. 3903.50 may be applied to any one or more of the following:

> A. All insurers who are doing, or have done, an insurance business in this state, and against whom claims arising from that business may exist now or in the future;
>
> B. All insurers who purport to do an insurance business in this state;
>
> C. All insurers who have insureds resident in this state;
>
> D. All other persons organized or in the process of organizing with the intent to do an insurance business in this state.
>
> E. All other companies, associations, societies, or entities subject to regulation by the superintendent of insurance under R.C. Title 17 and 39.

The Superintendent's conservatorship authority comes from R.C. 3903.50(A): if a domiciliary liquidator has not been appointed, the superintendent of insurance may file a complaint in the court of common pleas for an order directing him to act as conservator to conserve the property of an alien insurer not domiciled in this state or a foreign insurer if, among other things:

> (4) That its certificate of authority to do business in this state has been revoked or none was ever issued and that there are residents of this state with outstanding claims or outstanding policies.

Here, the Superintendent moves to be appointed conservator specifically under subsection (4) because Thin Blue Line was never issued a certificate of authority or license to do business in Ohio and there are residents of this state with outstanding claims or outstanding policies. Therefore Thin Blue Line is subject to a conservatorship under R.C. 3903.50(A)(4).

Once under conservatorship, a company is required to cooperate with the Department in all conservatorship proceedings. R.C. 3903.06. "To cooperate" includes:

> (1) Reply promptly in writing to any inquiry from the superintendent requesting such a reply;

(2) Make available to the superintendent any books, accounts, documents, or other records or information or property of or pertaining to the insurer and in the person's possession, custody, or control.

Further, no person shall obstruct or interfere with the superintendent in the conduct of any delinquency proceeding or any investigation preliminary or incidental to it or violate an order of the superintendent issued R.C. 3903.01 to R.C. 3903.59.

Here, although the evidence clearly shows Thin Blue Line is having significant trouble paying its outstanding claims, there is much additional information the Superintendent needs to ascertain its financial condition and future ability to pay claims. This is due to Thin Blue Line's failure to obtain a license and submit its financial and other company information to the Department to begin with. It is also due to Thin Blue Line's failure to provide to the Department a list of claims from all Ohio policyholders, as required by the Department's subpoena issued two months ago on April 23, 2025.

A conservatorship will allow the Superintendent to make inquiries as to Thin Blue Line's financial condition and require Thin Blue Line to promptly reply to such inquiries, and to make its books, accounts, documents, or other records or information or property available to the Superintendent. This will allow the Superintendent to learn more about Thin Blue Line's financial condition and review the next steps, including whether past harm to consumers can be remedied and future harm can be prevented.

B. Temporary Restraining Order to preserve assets

Once the Superintendent has been appointed conservator over an insurer, she may move for a temporary restraining order, preliminary injunction, or permanent injunction under R.C. 3903.05(A) as the court considers necessary and proper to prevent any of the following:

> (1) The transaction of further business;
>
> (2) The transfer of property;
>
> (3) Interference with the receiver, conservator, rehabilitator, or liquidator or with a proceeding under sections 3903.01 to 3903.59 of the Revised Code;
>
> (4) Waste of the insurer's assets;
>
> (5) Dissipation and transfer of bank accounts;
>
> (6) The commencement or further prosecution of any actions or proceedings;
>
> (7) The obtaining of preferences, judgments, attachments, garnishments, or liens against the insurer, its assets, or its policyholders;
>
> (8) The levying of execution against the insurer, its assets, or its policyholders;
>
> (9) The making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the insurer;
>
> (10) The withholding from the receiver, conservator, rehabilitator, or liquidator of books, accounts, documents, or other records relating to the business of the insurer;
>
> (11) Any other threatened or contemplated action that might lessen the value of the insurer's assets or prejudice the rights of policyholders, creditors, or shareholders, or the administration of any proceeding under sections 3903.01 to 3903.59 of the Revised Code.

III. Analysis

The Superintendent asks this Court to appoint her as conservator over Thin Blue Line, and once she is so appointed, to immediately issue a temporary restraining order under R.C. 3903.05(A) for the goal of preserving Thin Blue Line's assets and thus preserving the status quo during the pendency of this case. Under R.C. 3903.50(B), when a conservatorship order is sought

under R.C. 3903.50(A), as it is in this case, the court shall cause the insurer to be given such notice and time to respond as is reasonable under the circumstances. Given the exigent circumstances and the overwhelming harm faced by Ohio consumers, this motion should be granted on an emergency basis.

Thin Blue Line is an "insurer" as defined by R.C. 3903.01(P) because it is doing insurance business and is subject to conservation by the Superintendent. Thin Blue Line is a "foreign insurer" as it is organized under the laws of Texas and doing business in Ohio. Thin Blue Line is "doing business" as defined by R.C. 3903.01(H) because it is issuing and delivering health insurance contracts to Ohio residents, soliciting applications for such contracts, collecting premiums or consideration for such contracts, and transacting matters subsequent to the execution of such contracts and arising out of them. And under R.C. 3903.03, although it has no Ohio certificate of authority or license to operate, Thin Blue Line is subject to conservatorship proceedings under R.C. 3903.50 because it is an insurer doing insurance business in this state, has insureds residing in this state, is organized with the intent to do insurance business in this state, and is an entity subject to the regulation of the Superintendent under R.C. Title 39.

Thin Blue Line has been operating in Ohio without a certificate of authority or license for a year or more. Affidavit of Roger Hinkle, ¶ 6.[2] Thin Blue Line has been taking premium payments from at least 3,400 Ohioans during that period and has failed to pay out so many claims that its third-party administrator ended its contract. *Id*., ¶ 19, 25. Consumers have been contacting Thin Blue Line for months and received no resolutions to the hundreds of thousands of dollars in medical claims they have incurred. Affidavit of P.S., ¶ 23-25, 30-31; Affidavit of T.M., ¶ 23, 25.[3]

[2] Attached to the Superintendent's Motion for Temporary Restraining Order Pursuant to R.C. 3901.22(H) and Civ. R. 65 (regarding unfair and deceptive acts and practices).
[3] Both also attached to the Superintendent's Motion for Temporary Restraining Order Pursuant to R.C. 3901.22(H) and Civ. R. 65 (regarding unfair and deceptive acts and practices).

Yet Thin Blue Line continues to take monthly premium payments from consumers, which begs the question, where has the money gone, and what is it being spent on, if not on consumer claims?

The Superintendent has grave concerns that if Thin Blue Line has not been able to pay out claims despite taking premium payments form these consumers for over a year, then it will never pay out its claims. The Superintendent is also concerned that if Thin Blue Line continues to take premium payments from policyholders, those policyholders will never receive services they were promised in exchange for those premium payments. And in addition, Thin Blue Line's decision to operate in Ohio without a license, and its inability to provide the services it has contracted for calls into question its management's competence, fitness, and reputation necessary to serve the insurer and do right by its policyholders.

With its financial situation appearing to be precarious and the dire harm impacting its policyholders, it is imperative that Thin Blue Line's assets be preserved during this action to give consumers the best shot of being made whole. Currently, it is possible Thin Blue Line may have assets for which it could pay the claims it owes; the Superintendent simply does not know at this point, since Thin Blue Line did not yet respond to a subpoena seeking information on the number of outstanding claims for Ohio policyholders. If Thin Blue Line is not restrained from dissipating its assets during this action, it may very well walk away with any money it does have left, and consumers may be left with absolutely no chance of having any claims paid.

The Court should appoint the Superintendent as conservator over Thin Blue Line. With this Motion, the Superintendent has submitted a proposed order permitting her to appoint a chief deputy conservator and all other deputy conservators necessary to carry out her duties. Once this Court has appointed the Superintendent, it should issue a temporary restraining order pursuant to

R.C. 3903.05(A) preventing Thin Blue Line from taking any of the actions listed in (A)(1) and (11).

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on June 24, 2025, I served a copy of the foregoing upon the following pursuant to Civ.R. 5(B)(2)(c) and Civ.R. 5(B)(2)(f):

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