

DECLARATION OF TERENA BAKER
PURSUANT TO 28 U.S.C. § 1746

I, Terena Baker, hereby declare as follows:

1. My name is Terena Baker. I live in Florida and am over eighteen years of age. I have personal knowledge of the facts stated in this declaration, and if called as a witness, I could and would competently testify to these same facts.

2. I am licensed to sell insurance in Florida and about 22 other states. From February 2016 to March 10, 2017, I sold medical discount plans, limited benefit plans, and similar products for Simple Health Plans, which formerly did business as Health Benefits One and Health Benefits Center. I worked the day shift from 9:00 am to 5:00 pm at the company's Hollywood call center located in suite 100 at 2 Oakwood Plaza.

3. Simple Health employed about 50 other agents at the Hollywood location during my shift as well as a number of other employees in different departments. There was an evening shift consisting of about 25 agents. It is my understanding that the company also maintains additional offices in Doral and Boca Raton as well as offshore call centers in Panama and the Dominican Republic. Doral and Boca employees would sometimes work from the Hollywood office on Saturdays.

4. During my employment with Simple Health, I periodically saw the owner, Steven Dorfman, but I never spoke to him. The manager during my shift was John. I think that John's last name was Snow. John oversaw the three team leads, or "TLs," who would keep agents in line and help them when needed. One of my TLs was Adam Bercowitz. I cannot recall the names of other two TLs.

5. Security at Simple Health was like Fort Knox. The employee and reception areas were separated by a locked door with a keycard. This door was occasionally guarded by a

private security officer. All employees were required to store their phones and personal belongings in lockers. We were prohibited from bringing anything to our desks or from leaving the office with any work-related items. Agents all worked in a large open area that was also shared by the customer service department. The administrative offices were located in a separate area of the building to which agents did not have access.

6. My job consisted of enrolling consumers in medical discount plans, limited benefit plans, and a type of life insurance known as accidental death and dismemberment or "AD&D."

7. Like all agents, I sat at a desk with a computer and a telephone. Throughout my shift, I received a steady stream of leads consisting of people who had already been interviewed by other Simple Health employees at one of the company's offshore call centers. When a call transferred to my extension, information about the caller would appear on my computer screen. I was only supposed to receive calls from people in states where I was licensed.

8. Simple Health agents work solely on commission, earning between \$90 to \$150 for each sale. Three sales in a single day would be considered a successful shift. During open enrollment for the Affordable Care Act ("ACA"), an agent could easily make six sales in a day. A large flat-screen television on the sales floor tracked the top sellers. The company also paid cash bonuses (or "spiffs") approximately four times a week to agents with the highest conversion rates, most sales, and other benchmarks.

9. All agents were required to follow a sales script that appeared on our computer when incoming calls connected to our line. Attached to this declaration as **Baker Attachment A** is a true and correct copy of a document provide to me by FTC staff. This document looks virtually identical to the script that I used while employed by Simple Health. I read this script

hundreds –if not thousands of times – and clearly recall several passages from it, which I marked with my initials.

10. Virtually every consumer I spoke to while employed at Simple Health was in search of a major medical insurance policy as well as some assurance that the policy would cover various pre-existing conditions and medications. Many of these consumers did not have health insurance either because they had lost their jobs or could not afford insurance. Consumers often were under the mistaken belief that they could obtain ACA-qualified insurance from Simple Health, especially during open enrollment when interest in obtaining health insurance spiked. As far as I knew, Simple Health did not offer ACA-qualified plans. Although Simple Health did sell traditional major medical health insurance, agents earned a much lower commission on these policies compared to the limited benefit plans. Moreover, most consumers I spoke to would not be able to afford a major medical insurance policy or qualify for one.

11. Despite callers' overwhelming interest in obtaining major medical insurance, Simple Health designed its sales script to sell limited benefit plans. Although Simple Health often bundled medical discount memberships and AD&D insurance with its limited benefit plans, the script provided very little information about these products.

12. In my opinion, the script finessed the truth in a way that led many consumers to believe either that they would receive major medical, its equivalent, or something even better. As every agent knew, however, the limited benefit plans sold by Simple Health lack most of the fundamental benefits and protections of major medical insurance. Nevertheless, the script repeatedly referred to limited benefit plans as "insurance" and used terms commonly associated with major medical, such as "PPO" and "deductible."

13. The script did explain certain differences between limited benefit plans and major medical insurance. It also noted that limited plans did not meet the ACA's minimum essential coverage requirements. However, agents often skipped these disclosures or emphasized other sections of the script that portrayed the coverage provided by limited benefit plans as equal to, or better than, major medical. For example, consumers frequently asked at some point during the call whether they would receive major medical insurance. The scripted response to this question was evasive and confusing. Many agents ignored the script altogether and simply claimed that consumers would receive major medical insurance.

14. I am one of the few agents who did not use outright lies and deception to close deals. Many agents not only lied regularly to consumers, but bragged to each other about it. Management tolerated this conduct and rarely, if ever, disciplined employees for engaging in it. This practice was especially widespread during open enrollment, when Simple Health and many of its agents seemed to deliberately exploit confusion regarding the difference between ACA-qualified health insurance and the products sold by Simple Health. The company and its agents all seemed to understand that there was a lot of money to be made from this confusion.

15. Managers and team leaders knew about deceptive practices. On occasion, agents would be reprimanded for lying but never fired. The emphasis was completely on sales.

16. During the sales pitch, agents would gather "pre-qualification" information from prospective clients, such as their age, marital status, number of dependents, whether they or their dependents had any pre-existing medical conditions, how much they wanted to spend each month, whether they were currently insured, and, if so, how much they spent on such insurance. As instructed by our sales script, we claimed to input this information into a system that supposedly searched thousands of plans to find the best match for each client. In reality, the only

options were a handful of limited benefit plans. Agents would nevertheless often pause for dramatic effect and announce the results of this "search" as if there was ever any doubt about the outcome.

17. Most consumers were offered a combination of three different products: a limited benefit plan, a medical discount membership, and an AD&D policy. As I noted above, the script focused almost exclusively on the limited benefit plan. Most of the products sold by Simple Health were administered by a separate company, Health Insurance Innovations or HII. HII seemed to have a close relationship with Simple Health and its owners.

18. In addition to a monthly premium, consumers who enrolled in Simple Health's plans also paid a sign-up fee of \$125. Agents completed sales by gathering additional information about clients and their dependents as well as a credit card number for payment. The final step in the sales process was verification. After processing a consumer's payment, agents would transfer their clients to the verification department. I do not know where this department was located.

19. Simple Health recorded and saved all sales calls. I know this because I heard my own calls on several occasions for training and customer service matters.

20. I quit my job with Simple Health on March 10, 2017 because I could no longer tolerate the company's unethical practices. After leaving Simple Health, I was contacted by Raphael Montero, an investigator with the Florida Department of Financial Services. Mr. Montero asked about a limited benefit policy sold by Simple Health to a consumer named Trudy Slawson. According to Simple Health, I was the agent of record for this policy, meaning that I sold it to Ms. Slawson. Mr. Montero explained that Ms. Slawson had filed a complaint with his agency alleging that she had been misled into believing that she would receive major medical

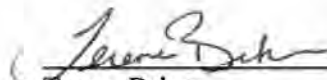
insurance with no co-pay or deductible that would provide coverage if either she or her husband were hospitalized. As anyone employed by Simple Health knew, the company's limited benefit plans did not provide this type of coverage.

21. I told Mr. Montero that I had no interaction with Ms. Slawson and no idea why my name or license was associated with her policy. It upset me tremendously to learn that Simple Health claimed otherwise. At Mr. Montero's request, I provided an affidavit addressing my employment with Simple Health and lack of knowledge regarding the policy sold to Ms. Slawson. A true and correct copy of this affidavit is attached hereto as **Baker Attachment B**.

22. I became an insurance agent to help consumers, not to trick them into buying products that they do not want or need. The way that Simple Health lied to Ms. Slawson and the Florida insurance regulators is disgraceful. I was so distraught by this episode that I considered suing Simple Health for emotional distress. I am relieved that I was able to clear my name.

I state under penalty of perjury that the foregoing statement is true and correct.

Executed on ^{May} ~~April~~ 14, 2018.
JB



Terena Baker

Baker Attachment A

Hello (FIRST NAME) my name is _____, and I am a licensed agent in your state of _____. I'm going to be helping you with your application for an affordable health insurance quote. I am to inform you this call may be recorded for quality assurance. Are you looking for an individual or family plan?

Great! The name of my company is Simple Health, and we represent many of the MAJOR "A Rated" CARRIERS in the state of _____. So I'm able to give all of your options, and find you the BEST PLAN out there for the BEST PRICE!

Are you currently insured?

(If YES) What insurance company are you currently with? What's making you shop around?

How much are you spending?

(If NO) Have you been without coverage for more than 63 days?

Pre-Qualification Questions

Please verify any pre-existing medical conditions.

2. How many medications are you taking? (Generic or Name Brand?)
3. How many times do you go visit the DR each year?
4. And I see that you put here your approx. height and weight is _____ correct?
5. Are you a smoker?
6. Have you ever been denied for health insurance?
7. (There Name) what aspects of your insurance are most important to you?

(BUILD RAPPORT WITH YOUR CLIENT!)

"OK, I know exactly what you're looking for; we want to find you a PPO, that way you can keep your own doctors and hospitals. I want to get you prescription and lab benefits for your preventative care and maintenance... and MOST IMPORTANTLY, you want a plan that will have very low out of pocket expenses, right?"

Joining ACUSA (Alliance for Consumers USA) you are able to access and join this plan. This will save you hundreds on your monthly premium, but obviously price is not the only important part of your insurance. Since you're healthy and don't need benefits like maternity and mental health, this plan makes sense because by excluding those benefits that you don't need you save a lot of money on the premium. What's the point of paying all that money every month if it's not going to cover the most important things, right??? Exactly!!! This plan covers you from day 1 on any new injuries or illnesses with NO waiting periods on accidents!

Me Now, this program utilizes the First Health Nationwide PPO network, which is one of the largest PPO networks in the country... First Health is one of the largest networks in the nation! With more than 1,000,000 facility and healthcare providers under contract.

Me You will receive unlimited access to doctor consultations, diagnostic testing for blood & lab work, prescription, medical, surgical, hospital assistance, dental, vision, and hearing which are all included into your monthly rate. You'll even have access to our CUSTOMER SERVICE CASE MANAGERS, who specialize in all your prescription needs.

Me The monthly premium is (amount per month) and for your first month, there is also a one-time fee of (enrollment \$\$). Also, your rate will never increase because you use the plan and your plan is month to month with no contracts. Lastly your plan is Nationwide! So if you move or travel you have benefits in every state.

Me This plan becomes effective as of midnight tonight. Again the first month will be: (newly revised rate), and every month after that it is only (monthly rate). Is that affordable for you TODAY before I go over all the benefits with you? (MAKE THEM ANSWER YES OR DON'T PITCH THEM!!!)

Me Let me start with your doctor visits. Now, you can go to any doctor in the country. Every time you go to the doctor within the First Health network you will receive the contracted rate off your bill. On top of that, you will receive an additional \$50 / \$100 off of the remaining balance up to 3/5 times per person per year and \$50 one time per year for wellness. For example, (First Name) let's say your doctor charges you \$200 for that visit and you were to receive the contracted rate of \$100...YOU DON'T HAVE TO PAY THAT, again for that doctor visit you will receive an additional \$50 / \$100 off the remaining balance. So in this exact situation, you end up spending \$50 / \$0 on that \$200 visit... do you understand?

Me Now as you know, MOST PLANS come with high deductibles that will have you paying THOUSANDS out of pocket BEFORE your insurance will pay for ANYTHING!! This plan does not work that way. This plan provides first dollar benefits for inpatient hospitalization. This is a FIRST DOLLAR COVERAGE PLAN, which means THIS PLAN covers you from the MOMENT you enter the hospital. So again, first the PPO network

COMPLETED separate neither has ANYTHING to do with the other. The first month comes out to be \$125/\$155 more, simply because of the enrollment fees. \$125 is for your health enrollment fee, and \$30 is for your dental enrollment fee. I made these charges separate for you, so THIS WAY you can ALWAYS upgrade or downgrade either one without it EVER compromising the other, Okay??

REMEMBER TO VISIT THE MAIL-ORDER PHARMACY AT: WWW.PHARMACYCHECKER.COM TO CHECK THE PRICES ON ALL OF YOUR MEDICATIONS! (make sure they write it down!)

This plan does not meet the definition of minimal essential coverage therefore, you could be subject to a tax penalty depending on your personal situation, but like we discussed earlier a) those plans would have coverage you don't need like maternity and mental health coverage making the premiums much higher even with the penalty! or b) you wouldn't be able to buy one of those plans now because it's not open enrollment or c) you aren't interested in those plans/those plans aren't affordable.

It's really just insurance terms, but let me go over them with you again just to MAKE SURE you understand everything correctly. For insurance to be DEFINED as a Major Medical, it MUST HAVE a deductible and co-insurance.

The BEAUTY of your NEW PLAN is that it has NONE of those. It has, NO DEDUCTIBLES, NO annual or lifetime caps, and No medical underwriting. . . therefore it's called a Limited Medical INDEMNITY Insurance Plan, not a Major Med.

Remember, your plan has no deductible and is a 2-sided plan. FIRST, ALL of your medical bills will be re-priced down to their lowest form, THEN, your ADDITIONAL INSURED CASH benefits will apply towards the remaining balance. Remember, the whole idea of this plan is to make your out of pocket expense AS LOW AS POSSIBLE, without you having to meet ANY deductibles first.

When you receive your NEW INSURANCE CARDS in your email, you will see all of your insured and non-insured benefits outlined in writing. You will also see all the additional noninsured benefits which come included with your plan! Now remember (First Name), ALL YOUR MEDICAL BILLS WILL BE REDUCED DOWN TO ITS LOWEST FORM before any of those cash benefits are applied!

On the verification they will also let you know the details of the INSURANCE PORTION of your plan, and then let you know the details of the discount part of your plan. Remember, when you get your packing in the email, you will see your ID cards. One card does it all and has your name and policy and member ID number on it and it works for all of your benefits included in the plan! No separate card to carry around for each product. That is the one that you need to put in your wallet right away.

Baker Attachment B

AFFIDAVIT

STATE OF FLORIDA AFFIDAVIT COUNTY OF Broward

NAME: Terena Baker I AM A: Female

DOB: [REDACTED] DRIVER'S LICENSE #: [REDACTED]

RESIDENCE ADDRESS: [REDACTED]
[REDACTED]

EMPLOYER'S NAME: [REDACTED]

OCCUPATION: Sales

BUSINESS ADDRESS: [REDACTED]
[REDACTED]

RESIDENCE PHONE: [REDACTED] BUS. PHONE: [REDACTED]

Page of

My name is Terena Baker and I started my employment with Simple Health (Health Benefits One) on February 20th 2016 and left the company on March 10th 2017. I was hired by a woman named Julie I do not remember her last name. I remember after open enrollment she was no longer with the company. I worked in and only in the Hollywood office from 9am to 5pm week days and some weekends. My job duties were to enroll and educate clients into health policies that the company offered. I only worked on the sales floor with no back end access to clients once enrolled. To my knowledge the only leads that were coming through to my phone was only from states that I was licensed to sell in. I was in a total of about 22 states. I sold health policies to the public honorably and with integrity. Finding out about this investigation under my license has brought me a great deal of anxiety and has affected me tremendously. I wish to clear this matter up as soon as possible.

Investigator Raphael Montero asked me if I placed a health policy for consumer Trudy Slawson while being employed by Health Benefits Once. I have never met or spoken with Ms. Slawson; I did not place any health policy for her. I was not the agent that sold the policy in question; I wish to clear my name. Health Benefits One used my name as an AOR for their own benefit and these practices must stop.

JB

PEOPLE WHO SHOULD ALWAYS KNOW HOW TO CONTACT ME IF MY ADDRESS
OR PHONE NUMBER SHOULD CHANGE:

I,
HAVE READ THE ABOVE STATEMENT CONSISTING OF 1 PAGE(S) AND
DECLARES AT THIS TIME THE EVENTS AS STATED ARE CLEAR IN MY MIND AND
THAT THE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF. I AM WILLING OR NOT WILLING TO APPEAR AT A
HEARING.

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS November
DAY OF 28 2017 BY ✓ WHO PRODUCED A Florida
Drivers License FOR IDENTIFICATION PURPOSES AND WHO DID TAKE AN OATH.

Jason R. [Signature]
(AFFIANT'S SIGNATURE)

Subscribed and sworn to before
me this 28th day of November 2017

[Signature]
Notary Public, State of Florida at Large
My Commission expires: 10/19/2021



26