

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 97811 / June 27, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-20932

In the Matter of	:	
	:	
	:	
Health Insurance Innovations, Inc.,	:	SECOND EXTENSION ORDER
now named Benefytt Technologies,	:	
Inc., and Gavin D. Southwell ,	:	
	:	
Respondents.	:	

The Division of Enforcement (“Division”) has requested an extension of time until September 25, 2023 to submit a Proposed Plan of Distribution under Rule 1101(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101(a).

On July 20, 2022, the Commission issued an Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)¹ against Health Insurance Innovations, Inc., now named Benefytt Technologies, Inc. (“HII”) and Gavin D. Southwell (“Southwell”) (collectively, the “Respondents”). In the Order, the Commission found that from March 2017 through March 2020, HII, a technology platform, billing administrator and distributor of short-term and limited health insurance products, and its CEO Southwell made a series of false and misleading statements to investors, which concealed extensive consumer complaints about products being sold through misrepresentations. HII and

¹ Securities Act. Rel. No. 11084 (July 20, 2022).

Southwell falsely told investors that HII held its insurance distributors to its high compliance standards, which prohibited insurance agents from making misrepresentations to consumers. HII and Southwell falsely stated that HII had 99.99% consumer satisfaction and misleadingly stated that state departments of insurance received very few consumer complaints regarding HII. HII and Southwell understated the amount of business that had been generated by its most productive distributor, Simple Health Plans LLC (“Simple Health”), which amassed the most consumer complaints. HII and Southwell misrepresented that HII had terminated its relationship with a different distributor in 2016 for compliance failures, when in fact, HII re-hired this distributor despite continuing compliance problems. These statements were made in reports filed with the SEC, press releases, earnings calls and other communications with investors. Southwell also disseminated misleading information about HII’s compliance to research analysts and a subscription news service, which included the information in research reports and a news article that were distributed to investors. In total, the Commission ordered the Respondents to pay \$320,000.00 in disgorgement, \$41,511.00 in prejudgment interest, and \$11,750,000.00 in civil money penalties, for a collective total of \$12,111,511.00, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties paid, along with the disgorgement and interest paid, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$12,111,511.00 paid by the Respondents. The Fair Fund has been deposited in an interest-bearing account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

On September 16, 2022, the Division, pursuant to delegated authority, issued an order granting the Division an extension of time until June 30, 2023, to submit a proposed plan of

distribution to allow staff additional time to complete the fund administrator solicitation and appointment process, develop the distribution methodology, and prepare the proposed plan of distribution.²

The Division now believes an additional 3 months is needed, extending the time to submit a proposed plan of distribution to September 25, 2023 because additional time is needed to complete the fund administrator solicitation and appointment process, refine the distribution methodology, and prepare the proposed plan of distribution.

Accordingly, for good cause shown, IT IS HEREBY ORDERED that the Division's request for an extension of time until September 25, 2023 to submit a Proposed Plan of Distribution is granted.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.³

Vanessa A. Countryman
Secretary

² Extension Order, Exchange Act Rel. No. 95805 (Sept.16, 2022).

³ 17 C.F.R. § 200.30-4(a)(21)(i).