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.
Respondents falsely told investors that HII held its insurance distributors to its high compliance
standards, which prohibited insurance agents from making misrepresentations to consumers.
Respondents falsely stated that HII had 99.99% consumer satisfaction and misleadingly stated
that state departments of insurance received very few consumer complaints regarding HII.
Respondents understated the amount of business that had been generated by its most productive
distributor, Simple Health Plans LLC, which amassed the most consumer complaints.
Respondents 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

¹ Securities Act Rel. No. 11084 (July 20, 2022).
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 includes the $12,111,511.00 paid by the Respondents. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

On September 25, 2023, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),\(^2\) pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”);\(^3\) and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Sondra Panahi, United States Securities and Exchange Commission, 801 Brickell Ave, Suite 1950, Miami, FL 33131. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received no comments on the Proposed Plan during the comment period.

The Proposed Plan provides for the distribution of the Net Available Fair Fund\(^4\) as calculated by the methodology used in the Plan of Allocation to investors based on their losses on shares of Health Insurance Innovations, Inc. common stock registered with the Commission and traded under the symbol HIIQ purchased or acquired during the period when the stock price was inflated by the company’s false and misleading statements, from March 2, 2017 through March 12, 2019, inclusive.

The Division of Enforcement now requests that the Commission approve the Proposed Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission’s Rules,\(^5\) that the Proposed Plan is approved, and the approved Plan of Distribution shall be posted simultaneously with this order on the Commission’s website at www.sec.gov.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.\(^6\)

Vanessa A. Countryman
Secretary

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\(^3\) 17 C.F.R. § 201.1103.
\(^4\) All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.
\(^5\) 17 C.F.R. § 201.1104.