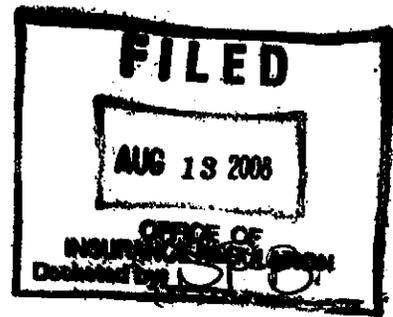




OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

**AFFORDABLE FAMILY HEALTH SERVICES, INC.**  
2006 Market Conduct Examination

**CASE NO.: 93824-08**

**CONSENT ORDER**

THIS CAUSE came on for consideration upon the agreement between AFFORDABLE FAMILY HEALTH SERVICES, INC. (hereinafter referred to as "AFFORDABLE") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE").

Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. AFFORDABLE is a foreign discount medical plan organization authorized to transact discount medical plan business in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to Chapter 636, Part II, Florida Statutes.
3. The OFFICE conducted a market conduct examination of AFFORDABLE in 2006 pursuant to Section 636.206, Florida Statutes. As a result of such examination, the OFFICE has determined that AFFORDABLE has violated the following provisions of the Florida Insurance Code:

- a. Section 636.214(2)(a), Florida Statutes – Failure of the provider agreements to contain a list of the services and products to be provided at a discount.
- b. Section 636.214(2)(b), Florida Statutes – Failure of the provider agreements to contain the amount of the discounts, or alternatively, a fee schedule which reflects the provider's discounted rates.
- c. Section 636.214(2)(c), Florida Statutes – Failure of the provider agreements to contain a provision that the provider will not charge members more than the discounted rates.
- d. Section 636.228(2), Florida Statutes – Failure of marketing agreement to prohibit the marketer from using marketing materials without the approval in writing by the DMPO.
- e. Section 636.204(1), Florida Statutes – Conducting business as a discount medical plan organization prior to licensure.
- f. Rule 69O-203.202(1)(a) – Florida Administrative Code – Failure of the member agreement to contain the address of the DMPO.
- g. Section 636.216(3), Florida Statutes – Use of forms that have not been first filed with and approved by the Office.
- h. Section 636.216(1), Florida Statutes – Use of charges that have not been filed with and approved by the Office.
- i. Section 636.226, Florida Statutes – Failure to contain a website address on advertising materials.
- j. Section 636.212(1)-(5), Florida Statutes – Failure of advertising, website, and marketing materials to contain the required disclosures.

4. AFFORDABLE expressly waives a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein to

which the parties may be entitled by law or rules of the OFFICE. AFFORDABLE hereby knowingly and voluntarily waives all rights to challenge or to contest this Order, in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

5. AFFORDABLE agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

a. AFFORDABLE shall pay an administrative penalty of Six Thousand Five Hundred Dollars (\$6,500) and administrative costs of Three Thousand Dollars (\$3,000) on or before the thirtieth (30th) day after this Consent Order is executed.

b. AFFORDABLE shall, within thirty (30) days of the execution of this Consent Order, provide to the OFFICE a certification signed by an officer of the Company that the corrective actions outlined in the examination report have been completed. The certification shall include a detailed list of all fees or charges returned, itemized by member name, member number, and the amount refunded.

6. AFFORDABLE is hereby placed on notice of the requirements of the above referenced sections of law and rules, and agrees that any future violations of these sections and rules by AFFORDABLE may be deemed willful, subjecting AFFORDABLE to appropriate penalties.

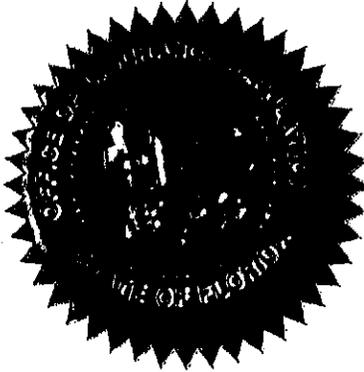
7. AFFORDABLE agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject AFFORDABLE to such administrative action as the OFFICE may deem appropriate.

8. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

THEREFORE, the agreement between AFFORDABLE and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 13TH day of AUGUST 2008.



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KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

By execution hereof, AFFORDABLE FAMILY HEALTH SERVICES, INC. consents to entry of this Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind AFFORDABLE FAMILY HEALTH SERVICES, INC. to the terms and conditions of this Consent Order.

AFFORDABLE FAMILY HEALTH SERVICES, INC.

Corporate Seal

By:

Title: Secretary of Corporation

Date: 8-4-2008

STATE OF Georgia )  
COUNTY OF Dekalb )

The foregoing instrument was acknowledged before me this 4th day of August, 2008, by Rachelle Copeland as Secretary for Affordable Family Health Services.  
(Name of person) (Type of authority...e.g. officer, trustee, attorney in fact) (Company Name)

Personally Known  or Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

Notarial Seal

(Signature of the Notary)

Angela C. Briggs  
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires:

**ANGELA C BRIGGS**  
Notary Public, Gwinnett County, Georgia  
My Commission Expires December 3, 2009

**COPIES FURNISHED TO:**

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