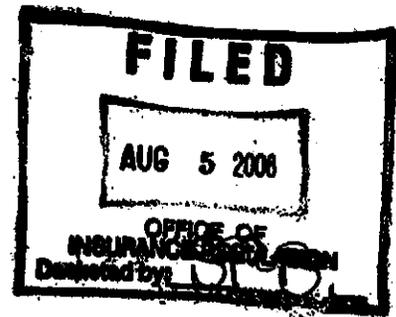




OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER



IN THE MATTER OF:

ATLANTIC DENTAL, INCORPORATED

CASE NO.: 94186-08

2006 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between ATLANTIC DENTAL, INCORPORATED (hereinafter referred to as "ADI") 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. ADI is a domestic 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 ADI in 2006 pursuant to Section 636.206, Florida Statutes. As a result of such examination, the OFFICE has determined that ADI has violated the following provisions of the Florida Insurance Code and Florida Administrative Code:

- a. Section 636.214(4), Florida Statutes – Failure to maintain a copy of each active provider network agreement.
- b. Section 636.214(3)(a), Florida Statutes – Failure of the provider agreements between the discount medical plan organization and a provider network to require the provider network to have written agreements with its providers to contain a list of the services and products to be provided at a discount; the amount or amounts of the discounts, or alternatively, a fee schedule which reflects the provider’s discounted rates; and that the provider will not charge members more than the discounted rates.
- c. Section 636.214(3)(c), Florida Statutes – Failure of the provider agreements between the discount medical plan organization and a provider network to require the provider network to have written agreements with its providers to maintain an up-to-date list of its contracted providers and to provide that list on a monthly basis to the discount medical plan organization.
- d. Section 636.214(2)(a), Florida Statutes – Failure of the provider agreement between a discount medical plan organization and a provider must provide to contain a list of the services and products to be provided at a discount.
- e. Section 636.214(2)(b), Florida Statutes – Failure of the provider agreement between a discount medical plan organization and a provider must provide to contain the amount or amounts of the discounts or, alternatively, a fee schedule which reflects the provider’s discounted rates.
- f. Section 636.214(2)(c), Florida Statutes – Failure of the provider agreement between a discount medical plan organization and a provider must provide to

contain a provision that the provider will not charge the members more than the discounted rates.

- g. Section 636.228(2), Florida Statutes – Failure of the marketer agreement to prohibit the marketer from using marketing materials, brochures, and discount cards without the approval in writing by the discount medical plan organization.
- h. Section 636.216(1), Florida Statutes – Failure to file charges with the Office prior to use.
- i. Section 636.216(3), Florida Statutes – Use of forms that have not been first filed with and approved by the Office.
- j. Section 636.204(1), Florida Statutes – Conducting business as a discount medical plan organization before being licensed by the office.
- k. Section 636.212(1)-(5), Florida Statutes – Failure to have all of the required disclosures on websites and on advertising materials.
- l. Section 636.226, Florida Statutes – Failure to maintain an up-to-date list of names and addresses of the providers with which the discount medical plan organization has contracted, on an Internet website page, and failure to display the Internet website on all its advertisements, marketing materials, brochures, and discount cards.
- m. Rule 69O-203.203(2)(a), Florida Administrative Code – Use of words, phrases, or illustrations that are used in a manner through which they mislead or have the capacity or tendency to deceive or mislead.
- n. Rule 69O-203.203(2)(b), Florida Administrative Code – Use of advertising that gives false information, contains untrue, deceptive, or misleading words,

phrases, statements, references, or illustrations about the contract benefits, health conditions covered, charges or processing fee.

- o. Section 636.210(1)(b), Florida Statutes – Use of prohibited language on websites and in advertisements.

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

- a. ADI shall pay an administrative penalty of Ten Thousand Dollars (\$10,000) and administrative costs of Three Thousand Dollars (\$3,000) on or before the thirtieth (30th) day after this Consent Order is executed.
- b. ADI 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 returned, itemized by member name, member number, and the amount refunded.

6. ADI 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 ADI may be deemed willful, subjecting ADI to appropriate penalties.

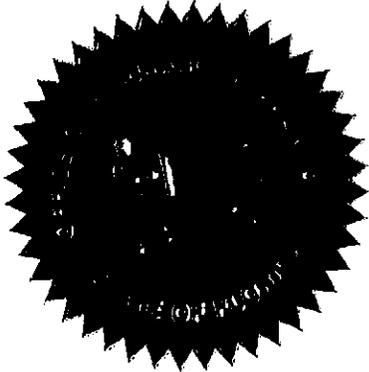
7. ADI agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject ADI to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between ADI 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 5TH day of AUGUST, 2008.



Kevin M. McCarty

KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, ATLANTIC DENTAL, INCORPORATED 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 ATLANTIC DENTAL, INCORPORATED to the terms and conditions of this Consent Order.

ATLANTIC DENTAL, INCORPORATED

Corporate Seal

By: _____

Title: Chief Operating Officer

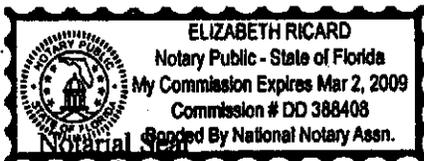
Date: June 30, 2008

STATE OF FLORIDA)
COUNTY OF MIAMIDADE)

The foregoing instrument was acknowledged before me this 30 day of June, 2008,
by Lourdes Tome-Rivas as Chief Operating Officer for
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
Atlantic Dental, Inc.
(Company name)

Personally Known X or Produced Identification _____

Type of Identification Produced _____



(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires:

COPIES FURNISHED TO:

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Coral Gables, FL 33124**

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200 E. Gaines Street
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