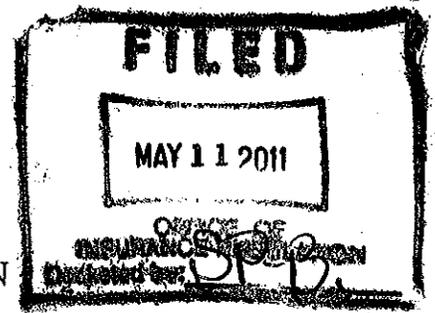




OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 103521-09

AVMED, INC.  
\_\_\_\_\_ /

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between AVMED, INC. (hereinafter referred to as "AVMED") 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. AVMED is authorized to transact business in Florida as a health maintenance organization and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE has conducted an investigation of AVMED pursuant to Section 641.3905, Florida Statutes. As a result of such investigation, the OFFICE has determined that AVMED incorrectly changed individual conversion policies on a group basis to reflect a common anniversary date rather than the actual effective date. AVMED also raised and lowered rates on HMO conversion policies at times other than contract renewal date. These actions caused some policyholders to be charged excess premiums. Therefore, AVMED committed the following violations of the Florida Insurance Code and the Florida Administrative Code:

- a. Section 641.3903(10)(b), Florida Statutes – Knowingly collecting as a premium or charge for health maintenance coverage any sum in excess of or less than the premium or charge applicable to health maintenance coverage, in accordance with the applicable classifications and rates as filed with the office, and as specified in the health maintenance contract.
- b. Rule 69O-191.055(3)(b)14, Florida Administrative Code – Rate changes may occur only on contract renewal.
- c. Rule 69O-191.033(1)(b), Florida Administrative Code – The benefit and renewal periods shall be no less than twelve months for non-group and group subscriber contracts.

4. While AVMED does not agree with the Office, in an effort to resolve this matter expeditiously and amicably, without the necessity of a formal administrative action by the OFFICE, AVMED knowingly and voluntarily enters into this Consent Order without admitting any liability in connection with such matter.

5. The OFFICE and AVMED expressly waive a hearing in this matter, as well as the making of findings of fact and conclusions of law by the OFFICE and all further and/or other proceedings to which the parties may be entitled, either by law or by rules of the OFFICE. AVMED hereby knowingly and voluntarily waives all rights to challenge or to contest this Order, in any forum now available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

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

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

a. AVMED shall pay a penalty of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) and administrative costs of Three Thousand and No/100 Dollars (\$3,000.00) on or before the thirtieth (30<sup>th</sup>) day after which this Consent Order is executed.

b. AVMED shall, within thirty (30) days of execution of this Consent Order, refund or credit the difference in premium to all individual conversion policyholders whose rates were changed less than twelve months after the previous rate change.

c. AVMED shall, within sixty (60) days of execution of this Consent Order, provide a report, certified by an officer of the Company to be true and correct, confirming that AVMED has refunded or credited each affected conversion policyholder the difference in premium. This report shall include: the policyholder name, policy number, address, effective date, amount of premium difference refunded or credited, and the date of such refund or credit.

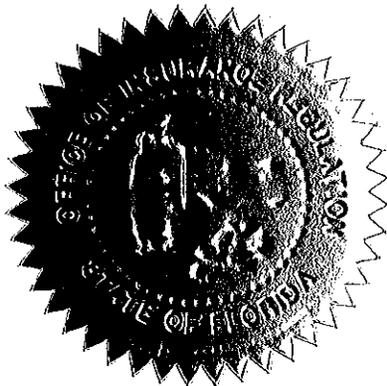
8. AVMED is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of these rules or statutes named herein by AVMED may be deemed willful, subjecting AVMED to the appropriate penalties associated therewith.

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

10. THEREFORE, the agreement between AVMED 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 11 TH day of MAY, 2010.



  
\_\_\_\_\_  
Kevin M. McCarty  
Commissioner  
Office of Insurance Regulation

By execution hereof AVMED, INC. consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind AVMED, INC to the terms and conditions of this Consent Order.

Corporate Seal

By: [Signature] AVMED, INC  
Steven M Ziegler  
Print or Type Name  
Title: SVP/ GC  
Date: 4/20/11

STATE OF Florida  
COUNTY OF Miami-Dade

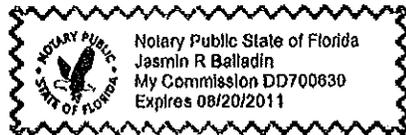
The foregoing instrument was acknowledged before me this 20 day of April 2011,  
by Steven M. Ziegler as SVP/ General Counsel  
(Name of person) (type of authority.... e.g. officer, trustee attorney in fact)  
for AvMed, Inc.  
(company name)

[Signature]  
(Signature of the Notary)  
JASMIN R. BALLADIN  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X or Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

[NOTARIAL SEAL]

My Commission Expires: 8/20/11



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