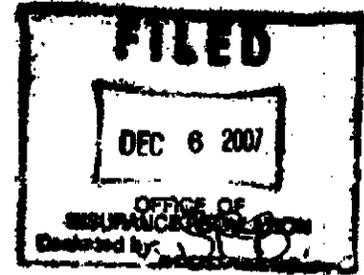




OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER



IN THE MATTER OF:

**BENEFIT SERVICES OF AMERICA, INC.**  
2006 Market Conduct Examination

CASE NO.: 91461-07-CO

**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between BENEFIT SERVICES OF AMERICA, INC. (hereinafter referred to as "BSA") 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. BSA 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 the Chapter 636, Part II, Florida Statutes.
3. The OFFICE conducted a market conduct examination of BSA in 2006 pursuant to Section 636.206, Florida Statutes. As a result, it has been determined that BSA violated the following provisions of the Florida Insurance Code and Florida Administrative Code:
  - a. Section 636.214(3)(a), Florida Statutes – Provider network agreements failed 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 a statement that the provider will not charge more than the discounted rates.

b. Section 636.206(1), Florida Statutes – Failure to provide the Office with documentation as requested.

c. Section 636.204(1), Florida Statutes – Conducting business as a discount medical plan organization prior to licensure.

d. Section 636.216(1), Florida Statutes – Use of charges that have not been filed with the Office.

e. Section 636.216(3), Florida Statutes – Use of forms that have not been filed with and approved by the Office.

f. Rule 69O-203.204(1)(a), Florida Administrative Code – Failure to file all plan contracts to be used or issued in connection with any plan.

g. Rule 69O-203.202(k), Florida Administrative Code – Failure to have a unique form number in the lower left hand corner on application forms.

h. Section 636.216(2), Florida Statutes – Failure of the written agreement to specify the benefits under the plan.

i. Section 636.226, Florida Statutes – Failure to maintain an up-to-date provider list on the website.

j. Section 636.212, Florida Statutes – Failure to use the required 12-point type for disclosure on its website and in advertisements.

k. Section 636.212(1)-(5), Florida Statutes – Failure to contain the required disclosures on advertising materials and failure to have those disclosures on the first page of advertisements.

l. Section 636.210(1)(b), Florida Statutes – Use of prohibited language in advertising that could reasonably mislead a person into believing the discount medical plan is health insurance.

m. Section 636.228(1), Florida Statutes – Failure of the discount medical plan organization to approve an advertisement prior to use.

n. Rule 69O-203.203(1), Florida Administrative Code – Use of language in advertisements that is untrue and can be misleading in fact or implication.

4. BSA expressly waives its right to a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and/or other proceedings herein to which the parties may now or in the future be entitled, either by law or by rules of the OFFICE. BSA hereby knowingly and voluntarily waives all rights to challenge or to contest this Order, in any forum now or in the future available, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

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

a. BSA shall pay an administrative penalty of Nine Thousand Five Hundred Dollars (\$9,500) and administrative costs of Three Thousand Dollars (\$3,000) on or before the 30th day after this Consent Order is executed.

b. BSA shall, within 30 days of the execution of this Consent Order, provide to the OFFICE certification by an officer of the Company that the corrective actions outlined in the examination report have been completed.

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

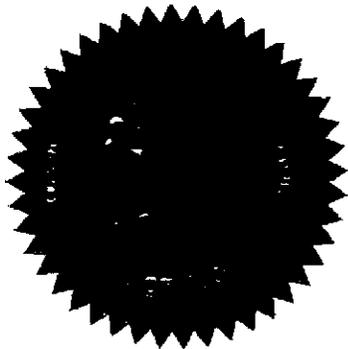
7. BSA agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject BSA to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between BSA 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 6TH day of DECEMBER, 2007.



KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

By execution hereof, BENEFIT SERVICES OF AMERICA, 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 BENEFIT SERVICES OF AMERICA, INC. to the terms and conditions of this Consent Order.



Corporate Seal

BENEFIT SERVICES OF AMERICA, INC.

By: [Signature]

Title: President

Date: 11/10/07

STATE OF Florida )  
COUNTY OF Seminole )

The foregoing instrument was acknowledged before me this 15 day of November, 2007,  
by Burton A. Bines as Officer for  
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)  
Benefit Services of America  
(Company name)

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

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



Notarial Seal

(Signature of the Notary) [Signature]

Catherine D. Fountain

(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires:  
7/14/2008

**COPIES FURNISHED TO:**

**Burton A. Bines, President  
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