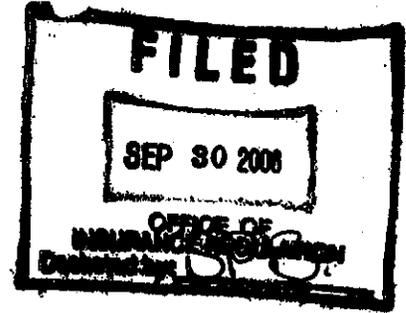




OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER



IN THE MATTER OF:

CHCS SERVICES, INC.

CASE NO.: 95740-08

2007 Market Conduct Examination
/

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between CHCS SERVICES, INC. (hereinafter referred to as "CHCS") 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. CHCS 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 CHCS in 2007 pursuant to Section 636.206, Florida Statutes. As a result of such examination, the OFFICE has determined that CHCS has violated the following provisions of the Florida Insurance Code:

- a. Section 636.228(2), Florida Statutes – Failure of the agreement between the discount medical plan organization and the marketer to require that all advertisements and marketing materials used by the marketer be approved in writing by the discount medical plan organization prior to use.
- b. Section 636.216(1), Florida Statutes – Failure to file charges with the Office prior to use.

4. CHCS 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 other proceedings herein to which the parties may now or in the future be entitled by law or rules of the OFFICE. CHCS 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. CHCS agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

- a. CHCS shall pay an administrative penalty of One Thousand Five Hundred Dollars (\$1,500) and administrative costs of Three Thousand Dollars (\$3,000) on or before the thirtieth (30th) day after this Consent Order is executed.
- b. CHCS 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.

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

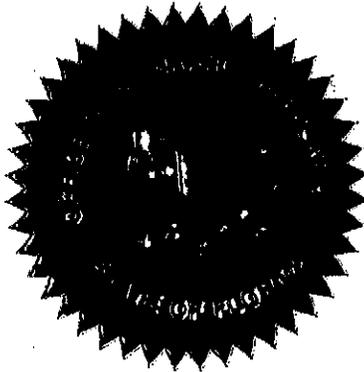
7. CHCS agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject CHCS to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between CHCS 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 30TH day of SEPTEMBER 2008.



KEYVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, CHCS 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 CHCS Services, Inc. to the terms and conditions of this Consent Order.

CHCS SERVICES, INC.

Corporate Seal

By: _____

Title: COO

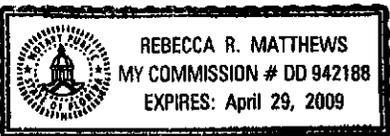
Date: 9/3/08

STATE OF Florida
COUNTY OF Escambia

The foregoing instrument was acknowledged before me this 3 day of September, 2008,
by Jason A. Israel as President, COO Director for
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
CHCS Services, Inc
(Company name)

Personally Known or Produced Identification _____

Type of Identification Produced _____



Notarial Seal

(Signature of the Notary)

Rebecca R. Matthews
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires:
4-29-09

COPIES FURNISHED TO:

**Gary Jacobs, President
CHCS Services, Inc.
411 North Baylen Street
Pensacola, FL 32501**

**Jim Bennett, Director
Market Investigations
Office of Insurance Regulation
200 E. Gaines Street
Tallahassee, FL 32399-4210**

**Sharlee Hobbs Edwards, Esq.
Legal Services Office
Office of Insurance Regulation
200 E. Gaines Street
Tallahassee, FL 32399-4206**