



OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
COMMISSIONER



IN THE MATTER OF:

CAREINGTON INTERNATIONAL CORPORATION  
2006 Market Conduct Examination

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CASE NO.: 93113-07

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between CAREINGTON INTERNATIONAL CORPORATION (hereinafter referred to as "CAREINGTON") 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. CAREINGTON 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 CAREINGTON in 2006 pursuant to Section 636.206, Florida Statutes. As a result of such examination, the OFFICE has determined that CAREINGTON has violated the following provisions of the Florida Insurance Code:

- a. Section 636.214(4), Florida Statutes – Failure to maintain a copy of all provider agreements.
- b. Section 636.214(3)(c), Florida Statutes – Failure of the provider network agreements to require the provider network 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.
- c. Section 636.214(3)(a), Florida Statutes – Failure of the provider network agreements to contain, a list of the services and products to be provided at a discount; the amount of the discounts, or alternatively, a fee schedule which reflects the provider's discounted rates; and a statement that the provider will not charge members more than the discounted rates.
- d. Section 636.228(2), Florida Statutes – Failure of marketer agreement to require prior approval by the Company of all marketing and advertising materials.
- e. Section 636.216(3), Florida Statutes – Use of forms that have not been filed with and approved by the Office.
- f. Section 636.216(1), Florida Statutes – Use of charges that have not been filed with and approved by the Office.
- g. Section 636.208(2), Florida Statutes – Failure to make full refunds of all periodic charges to members who cancelled their membership in the discount medical plan organization within the first 30 days after the effective date of their enrollment in the plan.

- h. Section 636.205(1)(d), Florida Statutes – Failure to follow written complaint procedures as filed with the Office.
- i. Section 636.212, Florida Statutes – Failure to print disclosures on advertisements, website, brochures, and marketing materials in not less than 12-point font.
- j. Section 636.212(1) – (5), Florida Statutes – Failure of advertisements, website, and marketing materials to contain the required disclosures.
- k. Section 636.210(1)(b), Florida Statutes – Use of prohibited language on website that could reasonably mislead a person into believing the discount medical plan was health insurance.

4. CAREINGTON 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 now or in the future be entitled by law or rules of the OFFICE. CAREINGTON 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. CAREINGTON agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

- a. CAREINGTON shall pay a penalty of Seven Thousand Five Hundred Dollars (\$7,500) and administrative costs of Three Thousand Dollars (\$3,000) on or before the 30th day after this Consent Order is executed.
- b. CAREINGTON shall, within 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. CAREINGTON is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of these sections by CAREINGTON may be deemed willful, subjecting CAREINGTON to the appropriate penalties.

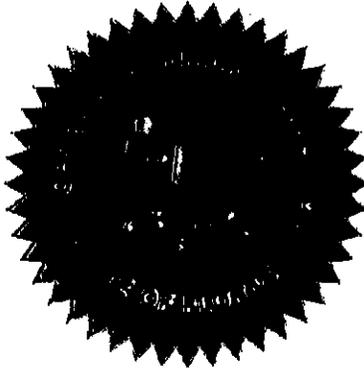
7. CAREINGTON agrees that the failure to adhere to one or more terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject CAREINGTON to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between CAREINGTON 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 17th day of APRIL 17 2008



KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

