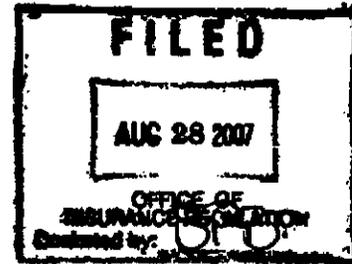




OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

COMPBENEFITS COMPANY

CASE NO.: 87830-06-CO

Discount Medical Plan Organization
2005 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **COMPBENEFITS COMPANY**, a discount medical plan organization (hereinafter referred to as "**COMPBENEFITS**") 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. **COMPBENEFITS** is a domestic corporation that was licensed as a discount medical plan organization by the **OFFICE** on December 16, 2004, pursuant to Chapter 636, Part II, Florida Statutes.
3. The **OFFICE** conducted a market conduct examination of **COMPBENEFITS'** discount medical plan operations in 2005 pursuant to Section 636.206, Florida Statutes. As a

result, it has been determined that **COMPBENEFITS** violated the following provisions of the Florida Insurance Code and Florida Administrative Code:

- a. Section 636.205(1)(d), Florida Statutes – Failure to follow its complaint procedures.
- b. Section 636.208(2), Florida Statutes – Failure to refund periodic charges for memberships cancelled within 30 days of the effective date of enrollment.
- c. Section 636.210(1)(b), Florida Statutes – Use of prohibited language on its website.
- d. Section 636.212, Florida Statutes – Failure to use the required 12-point type for disclosures on its website.
- e. Section 636.212(1), (2), (3), and (4), Florida Statutes – Failure to make the required disclosures on its website.
- f. Section 636.216(2), Florida Statutes – Failure to provide members with a written agreement containing the required disclosures.
- g. Section 636.216(3), Florida Statutes – Use of forms that were not approved by the **OFFICE**.
- h. Section 636.226, Florida Statutes – Failure to have the website address where prospective members can view a list of providers in advertising materials.
- i. Rule 69O-203.202(1)(g), (i), (j), (k), and (l), Florida Administrative Code – Failure to provide members with a written agreement that contains all required elements.

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

a. **COMPBENEFITS** shall pay an administrative penalty of Seven Thousand Dollars (7,000.00) and administrative costs of Three Thousand Dollars (\$3,000.00) on or before the thirtieth (30th) day after this Consent Order is executed.

b. **COMPBENEFITS** shall provide to the **OFFICE** certification by an officer of the Company that corrective actions requested in the examination report have been completed. The certification is to be received by the **OFFICE** within thirty (30) days of the execution of the Consent Order.

c. **COMPBENEFITS** certified to the **OFFICE** that as of March 2006, it no longer offered a discount medical plan in Florida. On May 10, 2007, **COMPBENEFITS** voluntarily surrendered its license to operate as a Florida discount medical plan organization. **COMPBENEFITS** shall provide to the **OFFICE**, within thirty (30) days of the execution of the Consent Order, certification that it has provided all reimbursements due to former plan members in accordance with the provisions of Sections 636.208(2), (3), and (4), Florida Statutes.

d. **COMPBENEFITS** agrees that if it should apply for licensure as a discount medical plan organization in Florida in the future, it shall thereafter comply with all of the provisions of Chapter 636, Part II, Florida Statutes, and the Florida Administrative Code.

5. The parties agree that the terms and conditions of this Consent Order are in no way applicable to the prepaid limited health services organization also transacting business in Florida as **COMPBENEFITS COMPANY**. That entity is authorized and continues to operate pursuant to Chapter 636, Part I, Florida Statutes, and the Florida Administrative Code.

6. **COMPBENEFITS** affirms that all representations and requirements set forth herein are material to the issuance of this Consent Order. Violation of any part of this Consent Order shall constitute a violation of a lawful order of the **OFFICE** and may subject

COMPBENEFITS to one or more of the administrative remedies available to the **OFFICE** under the Florida Insurance Code or other applicable law.

7. **COMPBENEFITS** 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 be entitled by law or rules of the **OFFICE**.

COMPBENEFITS 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.

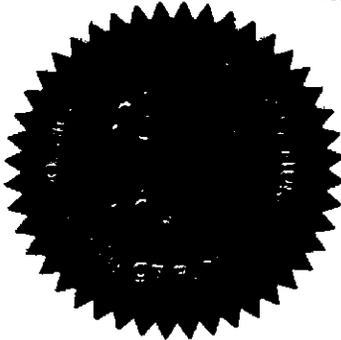
8. The parties agree that this Consent Order shall be deemed to be executed when the **OFFICE** has executed a copy of this Consent Order bearing the signature of **COMPBENEFITS'** authorized representative under the seal of a notary public, notwithstanding the fact that the copy may have been transmitted to the **OFFICE** electronically.

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

THEREFORE, the agreement between **COMPBENEFITS** 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 28TH day of AUGUST, 2007.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, COMPBENEFITS COMPANY 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 COMPBENEFITS COMPANY to the terms and conditions of this Consent Order.



COMPBENEFITS COMPANY

By: _____

Title: Ex VP

Date: 8/14th/07

STATE OF GEORGIA)
COUNTY OF FULTON)

The foregoing instrument was acknowledged before me this 14th day of August, 2007,
by Bruce A. Mitchell as Corporate Secretary for
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
Comp Benefits Company
(Company name)

Personally Known or Produced Identification _____

Type of Identification Produced _____



(Signature of the Notary)

Kimela S. Comstock
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires: January 3, 2010

COPIES FURNISHED TO:

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