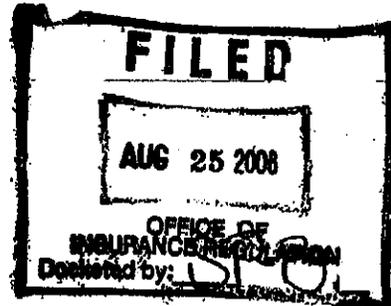




OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER



IN THE MATTER OF:

HEALTHALLIES, INC.
2006 Market Conduct Examination

CASE NO.: 94185-08

CONSENT ORDER

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

- ~~a. Section 636.214(3)(c), Florida Statutes – Failure of the provider network agreements to require the 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.~~
- b. 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.
- c. Section 636.210(2), Florida Statutes – Use of a provision in a provider network agreement that allows the discount medical plan organization to collect or accept money from a member for payment to a provider for specific medical services furnished or to be furnished to the member, without the discount medical plan organization having an active certificate of authority from the Office to act as an administrator.
- d. Section 636.228(2), Florida Statutes – Failure to have an executed written agreement with a marketer prior to the marketer's marketing, promoting, selling, or distributing the discount medical plan.
- e. Section 636.216(1), Florida Statutes – Use of charges that have not been filed with and approved by the Office.
- f. Section 636.204(1), Florida Statutes – Enrolling members in a discount medical plan organization prior to licensure.

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

h. Section 636.212(1) – (5), Florida Statutes – Failure of advertising and marketing materials to contain the required disclosures.

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

a. HEALTHALLIES shall pay an administrative penalty of Six Thousand Dollars (\$6,000) and administrative costs of Three Thousand Dollars (\$3,000) on or before the thirtieth (30th) day after this Consent Order is executed.

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

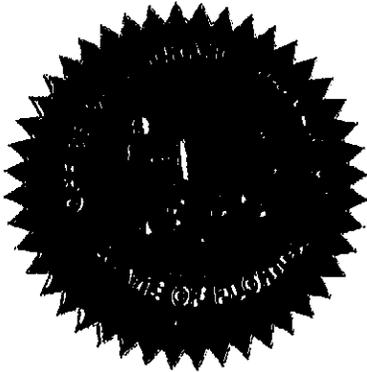
~~7. HEALTHALLIES agrees that the failure to adhere to one or more of the above~~
terms and conditions of this Consent Order shall constitute a violation of a lawful order of the
OFFICE, and shall subject HEALTHALLIES to such administrative action as the OFFICE may
deem appropriate.

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

THEREFORE, the agreement between HEALTHALLIES 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 25TH day of AUGUST, 2008.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, ~~HEALTHALLIES, 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 ~~HEALTHALLIES INC.~~ to the terms and conditions of this Consent Order.

HEALTHALLIES, INC.

Corporate Seal

By: _____
Title: Secretary
Date: 8/14/08

STATE OF MINNESOTA)
COUNTY OF WENDELL)

The foregoing instrument was acknowledged before me this 14th day of AUGUST, 2008,
by TIMOTHY F. RYAN as OFFICER for
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
HEALTH ALLIES, INC.
(Company name)

Personally Known or Produced Identification _____

Type of Identification Produced _____

[Signature]
(Signature of the Notary)

Notarial Seal

MICHAEL J. DIOGUARDI
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires:

