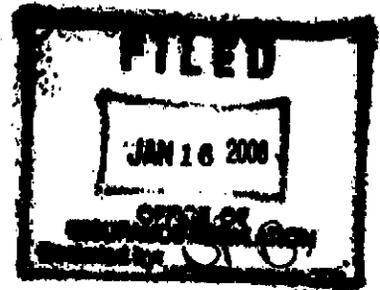




OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
COMMISSIONER



IN THE MATTER OF:

**HEALTH CHOICE NETWORK, INC.,  
d/b/a CARENET**

**CASE NO.: 91455-07-CO**

2006 Market Conduct Examination

---

**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between HEALTH CHOICE NETWORK, INC., d/b/a CARENET (hereinafter referred to as "CARENET") 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. CARENET is a domestic, not-for-profit 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 CARENET in 2006 pursuant to Section 636.206, Florida Statutes. As a result, it has been determined that

CARENET violated the following provisions of the Florida Insurance Code and Florida Administrative Code:

- a. Section 636.214(2)(a), Florida Statutes – Failure to have a provider agreement that lists the services and products to be provided at a discount.
- b. Section 636.214(4), Florida Statutes – Failure to maintain a copy of each active provider network agreement into which it has entered.
- c. Section 636.216(3), Florida Statutes – Use of forms that were not filed with and approved by the Office.
- d. Section 636.228(2), Florida Statutes – Failure to have an executed written agreement with a marketer.
- e. Section 636.208(2), Florida Statutes – Failure to make full refunds to members who cancelled their membership within 30 days of the enrollment effective date.
- f. Section 636.212, Florida Statutes – Failure to print disclosures in not less than 12-point type.
- g. Section 636.212(2), Florida Statutes – Failure to disclose in advertisements that the plan provides discounts for medical services at certain health care providers.
- h. Section 636.212(5), Florida Statutes – Failure to contain the name and address of the discount medical plan organization on its website and in advertisements.
- i. Section 636.226, Florida Statutes – Failure to maintain an up-to-date and complete provider list on its website.
- j. Rule 69O-203.203(2)(b), Florida Administrative Code – Use of misleading advertisements that give false information, contain untrue, deceptive or misleading

words, phrases, statements, references or illustrations as to the contract benefits, health conditions covered, charges or processing fee.

4. CARENET 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. CARENET 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. CARENET agrees that within 30 days of the execution of this Consent Order, it shall provide to the OFFICE certification 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 periodic charges and one-time processing fees returned, itemized by member name, member number, and the amount refunded.

6. CARENET 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 CARENET may be deemed willful, subjecting CARENET to appropriate penalties.

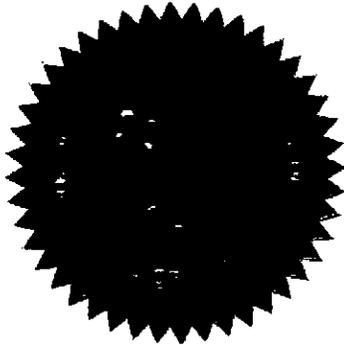
7. CARENET agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject CARENET to such administrative action as the OFFICE may deem appropriate.

8. Each party to this action shall bear its own costs and attorney's fees.

THEREFORE, the agreement between CARENET 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 16TH day of JANUARY, 2008.



~~KEVIN M. MCARTY~~  
Commissioner  
Office of Insurance Regulation

By execution hereof, HEALTH CHOICE NETWORK, INC., d/b/a CARENET, 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 HEALTH CHOICE NETWORK, INC., d/b/a CARENET to the terms and conditions of this Consent Order.

HEALTH CHOICE NETWORK, INC.,  
d/b/a CARENET

Corporate Seal

By: \_\_\_\_\_

Title: President and CEO

Date: 12/19/07

STATE OF Florida  
COUNTY OF Miami-Dade

The foregoing instrument was acknowledged before me this 19 day of Dec., 2007,  
by Kevin Kearns as President and CEO for  
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)  
Health Choice Network  
(Company name)

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

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



Notarial Seal

(Signature of the Notary) \_\_\_\_\_

Diana Evans  
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires:  
Aug 7, 2010

**COPIES FURNISHED TO:**

**Kevin S. Kearns, President and CEO  
Health Choice Network, Inc.  
9064 N.W. 13 Terrace  
Miami, FL 33172**

**Margarita Ollet, RN, MBA  
Senior Vice President of Managed Care  
and Clinical Operations  
Health Choice Network, Inc.  
9064 N.W. 13 Terrace  
Miami, FL 33172**

**Sam Binnun, Director  
Market Investigations  
Florida Office of Insurance Regulation  
200 E. Gaines Street, 2<sup>nd</sup> Floor  
Tallahassee, FL 32399-4210**

**Jim Bennett, Assistant General Counsel  
- Market Investigations  
Legal Services Office  
Florida Office of Insurance Regulation  
200 E. Gaines Street, 6<sup>th</sup> Floor  
Tallahassee, FL 32399-4206**

**Lori Ridner, Assistant General Counsel  
Legal Services Office  
Florida Office of Insurance Regulation  
200 E. Gaines Street, 6<sup>th</sup> Floor  
Tallahassee, FL 32399-4206**