



OFFICE OF INSURANCE REGULATION

FILED

FEB 27 2008

KEVIN M. McCARTY
COMMISSIONER

OFFICE OF
INSURANCE REGULATION
Dictated by:

IN THE MATTER OF:

MEDNET BENEFITS, INCORPORATED
2006 Market Conduct Examination

CASE NO.: 93111-07

CONSENT ORDER

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

- a. 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.
- b. 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.
- c. Section 636.228(2), Florida Statutes – Failure of a marketing agreement to prohibit the marketer from using marketing materials without the approval in writing of the discount medical plan organization.
- d. Section 636.204(1), Florida Statutes – Conducting business as a discount medical plan organization before being licensed by the office.
- e. Section 636.216(3), Florida Statutes and Rule 69O-203.204(1)(a), Florida Administrative Code – Use of forms that have not been filed with and approved by the Office.
- f. Section 636.208(2), Florida Statutes – Failure to make a full refund to a member who cancelled their membership within the first 30 days after the effective date of their enrollment.
- g. Section 636.226, Florida Statutes – Failure to maintain an up-to-date and complete provider list on its website.

- h. Section 636.210(1)(a), Florida Statutes – Use of prohibited language on its websites.
- i. Section 636.212, Florida Statutes – Failure to use the required 12-point type for disclosures on websites and advertising materials.
- j. Section 636.212(1), (3)–(5), Florida Statutes – Failure to contain the required disclosures on marketing materials and websites.

4. MEDNET BENEFITS 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 be entitled by law or rules of the OFFICE. MEDNET BENEFITS hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent 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. MEDNET BENEFITS agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

- a. MEDNET BENEFITS 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. MEDNET BENEFITS 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. MEDNET BENEFITS 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 MEDNET BENEFITS may be deemed willful, subjecting MEDNET BENEFITS to appropriate penalties.

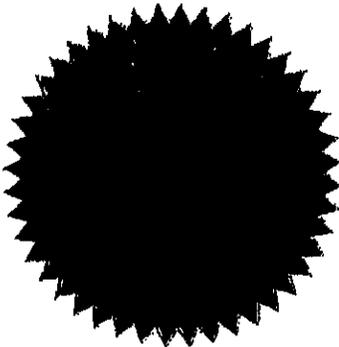
7. MEDNET BENEFITS agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject MEDNET BENEFITS to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between MEDNET BENEFITS 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 27th day of February 2008.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, MEDNET BENEFITS, INCORPORATED 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 MEDNET BENEFITS, INCORPORATED to the terms and conditions of this Consent Order.

MEDNET BENEFITS, INCORPORATED

Corporate Seal

By: _____

Title: C.E.O.

Date: FEBRUARY 7, 2008

I HAVE THE AUTHORITY TO BIND THE CORPORATION

PROVINCE ONTARIO
STATE OF ONTARIO
COUNTRY CANADA
COUNTY OF CANADA

The foregoing instrument was acknowledged before me this 7th day of FEBRUARY, 2008,
by HOWARD CRACOWEN as C.E.O. for
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
MEDNET BENEFITS, INCORPORATED
(Company name)

Personally Known To me or Produced Identification ONTARIO DRIVER'S LICENCE

Type of Identification Produced C7132-34204-81127

Notarial Seal

(Signature of the Notary)

Peter Bourgeois

(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires: FOR LIFE

COPIES FURNISHED TO:

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