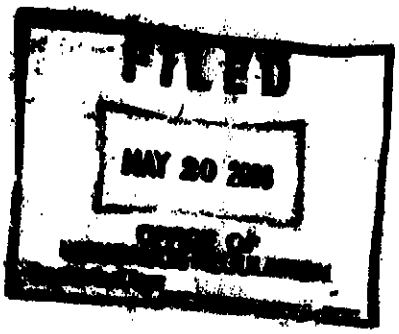
OFFICE OF INSURANCE REGULATION



KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

ORGANIZACION GAMMA, INC.
D/B/A MEDICAL PASS
2006 Market Conduct Examination
_____/

CASE NO.: 93118-07

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between ORGANIZACION GAMMA, INC., D/B/A MEDICAL PASS (hereinafter referred to as "ORGANIZACION GAMMA") 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. ORGANIZACION GAMMA is a domestic 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 ORGANIZACION GAMMA in 2006 pursuant to Section 636.206, Florida Statutes. As a result, it has been

determined that ORGANIZACION GAMMA violated the following provisions of the Florida Insurance Code:

a. Section 636.214(4), Florida Statutes – Failure to maintain a copy of each active provider agreement.

b. Section 636.214(2)(a), Florida Statutes – Failure to have provider agreements that contain a list of the services and products to be provided at a discount.

c. Section 636.214(2)(b), Florida Statutes – Failure to have provider agreements that contain the amount or amounts of the discounts or, alternatively, a fee schedule which reflects the provider's discounted rates.

d. Section 636.214(2)(c), Florida Statutes – Failure to have provider agreements that state that the provider will not charge members more than the discounted rates.

e. Section 636.216(1), Florida Statutes – Use of charges that have not been filed with and approved by the Office.

f. Section 636.216(2), Florida Statutes – Failure to have a written agreement between the Company and the member specifying the benefits under the discount medical plan.

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

h. Section 636.204(1), Florida Statutes – Conducting business as a discount medical plan organization prior to licensure.

i. Rule 69O-203.202(1)(e), Florida Administrative Code – Failure to contain a space for charges or any one-time processing fee on its application.

j. Section 636.212, Florida Statutes – Failure to print disclosures in not less than 12-point type in advertising material.

k. Section 636.212(1) – (5), Florida Statutes – Failure to include the required disclosures on websites and in advertising materials.

l. Section 636.210(1)(b), Florida Statutes – Use of the term "coverage" in advertising materials in a manner that could reasonably mislead a person into believing the discount medical plan was health insurance.

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

a. ORGANIZACION GAMMA is assessed a Ten Thousand Dollar ($10,000) penalty. Due to the financial position and business volume of ORGANIZACION GAMMA, the OFFICE suspends Nine Thousand Dollars ($9,000) of the penalty. Therefore ORGANIZACION GAMMA shall pay a penalty of One Thousand Dollars ($1,000) on or before the 30th day after this Consent Order is executed.

b. ORGANIZACION GAMMA 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 periodic charges and one-time processing fees returned; itemized by member name, member number, and the amount refunded.

6. ORGANIZACION GAMMA 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 ORGANIZACION GAMMA may be deemed willful, subjecting ORGANIZACION GAMMA to appropriate penalties.

7. ORGANIZACION GAMMA 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 ORGANIZACION GAMMA 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 ORGANIZACION GAMMA 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 20TH day of MAY 2008.

KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, ORGANIZACION GAMMA, INC. D/B/A MEDICAL PASS 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 ORGANIZACION GAMMA, INC., D/B/A MEDICAL PASS to the terms and conditions of this Consent Order.

ORGANIZACION GAMMA, INC., D/B/A MEDICAL PASS

Corporate Seal

By: _____

Title: PRESIDENT.

Date: 5 | 1 | 2008

STATE OF Florida)
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this 1ST day of MAY, 2008, by Dr. MIGUEL GARBER as PRESIDENT for
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
Organizacion Gamma, Inc. D/B/A Medical Pass
(Company name)

Personally Known ✓ or Produced Identification ____

Type of Identification Produced ____

NOTARY PUBLIC STATE OF FLORIDA
Gustavo Adrian Lumer
Commission # DD617364
Expires: NOV. 26, 2010
BONDED THRU ATLANTIC BONDING CO., INC.

Notarial Seal

_____
(Signature of the Notary)

GUSTAVO ADRIAN LUMER.
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires: NOV 26 2010

COPIES FURNISHED TO:

Dr. Miguel Garber, President
Organizacion Gamma, Inc. d/b/a Medical Pass
2050 NE 163rd Street
North Miami Beach, FL 33162-4903

Jim Bennett, Director
Market Investigations
Office of Insurance Regulation
200 E. Gaines Street
Tallahassee, FL 32399-4210

Sharlee Hobbs Edwards, Esq.
Assistant General Counsel
Legal Services Office
Office of Insurance Regulation
200 E. Gaines Street
Tallahassee, FL 32399-4206