OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

PROTECTIVE MARKETING ENTERPRISES, INC.
2006 Market Conduct Examination

CASE NO.: 91456-07-CO

_____/

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between PROTECTIVE MARKETING ENTERPRISES, INC. (hereinafter referred to as "PROTECTIVE") 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. PROTECTIVE 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 the Chapter 636, Part II, Florida Statutes.

3. The OFFICE conducted a market conduct examination of PROTECTIVE in 2006 pursuant to Section 636.206, Florida Statutes. As a result, it has been determined that PROTECTIVE violated the following provisions of the Florida Insurance Code and Florida Administrative Code:

a. Section 636.214(3)(a), Florida Statutes – Provider network agreements failed to contain a list of the services and products to be provided at a discount, the amount of the discount or a fee schedule, or that the provider will not charge more than the discounted rates.

b. Section 636.214(3)(c), Florida Statutes – Provider network agreements failed to contain provisions that require the networks 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 636.204(1), Florida Statutes – Conducting business as a discount medical plan organization prior to licensure.

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

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

f. Rule 69O-203.202(1)(d), Florida Administrative Code – Failure to state the term of the contract in the membership agreement.

g. Section 636.208(2) and (4), Florida Statutes – Failure to make full refunds to members who cancelled their membership within 30 days of the enrollment effective date.

h. Section 636.212, Florida Statutes – Failure to print disclosures for advertisements on the first page and in not less than 12-point type.

i. Section 636.212(5), Florida Statutes – Failure to disclose the Company's name and address on forms, its website and in advertisements.

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

a. PROTECTIVE shall pay an administrative penalty of Seven Thousand Dollars ($7,000) and administrative costs of Three Thousand Dollars ($3,000) on or before the 30th day after this Consent Order is executed.

b. PROTECTIVE shall, within 30 days of the execution of this Consent Order, 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. PROTECTIVE 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 PROTECTIVE may be deemed willful, subjecting PROTECTIVE to appropriate penalties.

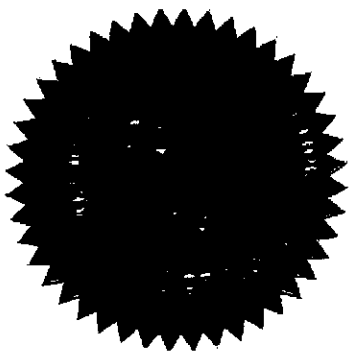
7. PROTECTIVE agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject PROTECTIVE to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between PROTECTIVE 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 6TH day of DECEMBER, 2007.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, PROTECTIVE MARKETING ENTERPRISES, 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 PROTECTIVE MARKETING ENTERPRISES, INC. to the terms and conditions of this Consent Order.

PROTECTIVE MARKETING ENTERPRISES, INC.

Corporate Seal

By: _____

Title: PRESIDENT

Date: 11/26/07

STATE OF Texas)
COUNTY OF Dallas)

The foregoing instrument was acknowledged before me this 26th day of November, 2007, by Ian R. Stuart (Name of person) as President (Type of authority.... e.g. officer, trustee, attorney in fact) for Protective Marketing Enterprises, Inc.. (Company name)

Personally Known ✓ or Produced Identification _____

Type of Identification Produced _____

KAREN ROBB
My Commission Expires
April 10, 2009

Notarial Seal

(Signature of the Notary)

Karen Robb
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires: 4-10-09

COPIES FURNISHED TO:

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