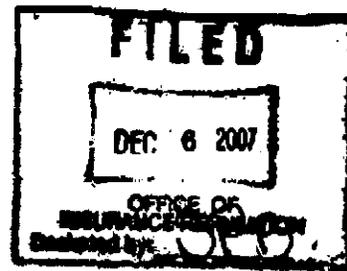




OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER



IN THE MATTER OF:

SUNSHINE MEDICAL NETWORK II, INC.
2006 Market Conduct Examination

CASE NO.: 91458-07-CO

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between SUNSHINE MEDICAL NETWORK II, INC. (hereinafter referred to as "SUNSHINE MEDICAL") 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. SUNSHINE MEDICAL 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 SUNSHINE MEDICAL in 2006 pursuant to Section 636.206, Florida Statutes. As a result, it has been determined that SUNSHINE MEDICAL violated the following provisions of the Florida Insurance Code and Florida Administrative Code:

a. Section 636.228(2), Florida Statutes – Failure of the marketing agreements to contain language prohibiting the marketer from using marketing materials, brochures, and discount cards without the approval in writing by the discount medical plan organization.

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

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

d. Rule 69O-203.202(1)(g), Florida Administrative Code – Failure to state the cancellation conditions of the discount medical plan on the membership agreement.

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.

Section 636.226, Florida Statutes – Failure to maintain an up-to-date and complete provider list on its website; failure to have an Internet website address prominently displayed on advertising materials.

f. Rule 69O-203.203(2)(a) and (b), Florida Administrative Code – Use of words, phrases or illustrations in a manner which may mislead or have the capacity or tendency to deceive or mislead. Use of misleading advertisements that give false information, contain untrue, deceptive, or misleading words, phrases, statements, references or illustrations as to the contract benefits.

g. Section 636.212(1-5), Florida Statutes – Failure to contain the required disclosures on its website and on advertising materials.

h. Section 636.228(1), Florida Statutes – Failure of the discount medical plan organization to approve an advertisement prior to use.

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

a. SUNSHINE MEDICAL 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. SUNSHINE MEDICAL 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 returned, itemized by member name, member number, and the amount refunded.

6. SUNSHINE MEDICAL 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 SUNSHINE MEDICAL may be deemed willful, subjecting SUNSHINE MEDICAL to appropriate penalties.

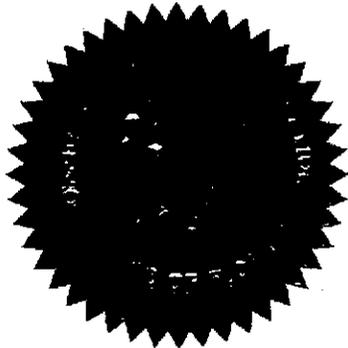
7. SUNSHINE MEDICAL agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject SUNSHINE MEDICAL to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between SUNSHINE MEDICAL NETWORK 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, SUNSHINE MEDICAL NETWORK II, 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 SUNSHINE MEDICAL NETWORK II, INC. to the terms and conditions of this Consent Order.

SUNSHINE MEDICAL NETWORK II, INC.

Corporate Seal:

By: _____

Title: V.P. SECRETARY

Date: NOVEMBER 20, 2007

STATE OF Florida
COUNTY OF Dade

The foregoing instrument was acknowledged before me this 20th day of NOVEMBER, 2007, by ROBERT E. CRUZ as OFFICER for

SUNSHINE MEDICAL NETWORK II, INC.
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
(Company name)

Personally Known or Produced Identification _____

Type of Identification Produced _____

(Signature of the Notary)

Notarial Seal

(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires:



COPIES FURNISHED TO:

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