

FINANCIAL SERVICES COMMISSION

**FLORIDA OFFICE OF INSURANCE REGULATION
MARKET INVESTIGATIONS**

MARKET CONDUCT FINAL EXAMINATION REPORT

OF

USA FOR HEALTH CARE, INC.

AS OF

October 25, 2007

FLORIDA COMPANY CODE: 56053



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PURPOSE AND SCOPE OF EXAMINATION

Under authorization of the Financial Services Commission, Florida Office of Insurance Regulation (Office), Market Investigations, pursuant to Section 636.206, Florida Statutes, a market conduct examination of USA For Health Care, Inc. (Company or USA) was performed by Greenfield Consultants, LLC. The scope of this examination was March 6, 2007 through September 30, 2007. The examination began October 22, 2007 and ended October 25, 2007.

The purpose of this examination was to review the Company's compliance with Chapter 636, Part II, Florida Statutes as effective on April 1, 2005. Chapter 636, Part II, Florida Statutes regulates discount medical plan organizations, entities which, in exchange for fees, dues, charges, or other consideration, provide access for plan members to providers of medical services and the right to receive medical services from those providers at a discount.

The Company's records were examined at its offices located at 1901 N. State Hwy 360, Grand Prairie, TX, 75050-1412.

This Final Report is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information and comments provided by the Company in response to the draft report. Procedures and conduct of the examination were in accordance with the Market Regulation Handbook produced by the National Association of Insurance Commissioners.

DESCRIPTION OF COMPANY

This foreign company was licensed as a Discount Medical Plan Organization (DMPO) in Florida effective March 6, 2007. USA aggregates medical products and services from various networks and providers and bundles these benefits into discount medical plans under the name of USA SAVERS.

PROVIDER NETWORK AGREEMENT REVIEW

The Company has written agreements with the following provider networks:

- HearPro – hearing care plan
- BioSafe Medical Technologies, Inc. – screening test kits
- American WholeHealth Network – complementary and alternative medicine
- PharmaCare Prescription Program – prescription services
- Pharmacare Direct – mail order prescription
- Careington Dental Network – dental provider network
- EyeMed Vision Care – eye care services
- Competitive Health, Inc. – network access and re-pricing agreement

Chapter 636, Part II, Florida Statutes does not regulate pharmaceutical supplies, prescriptions, and medical information storage and retrieval services.

The written provider network agreements were reviewed to ensure they contained the provisions required by Section 636.214(3), Florida Statutes. Only the provider agreement with Careington Dental Network was compliant. The following violations were noted:

- 5 provider network agreements failed to include a provision requiring that an up-to-date list of contract providers be provided on a monthly basis as required by Section 636.214(3)(c), Florida Statutes.

Corrective Action: The Company should ensure that all provider network agreements contain terms as required.

MARKETER REVIEW

The Company reported that its exclusive marketing representative, The Elite Association Marketing Corp. (TeamCorp), markets the Company's plan in Florida. The executed marketer agreement dated January 1, 2007, was reviewed for compliance with Section 636.228, Florida Statutes. No violations were noted.

TeamCorp has appointed 125 independent agents in Florida to act as representatives of TeamCorp and to solicit memberships.

FORMS/CHARGES REVIEW

Forms

On July 19, 2007, the Office approved the following forms filed by the Company for its USASAVERS Plan.

- | | |
|-------------------------------------|--------------------------|
| • USA Savers Brochure | TC USAS 04.07 |
| • USA Savers Membership Handbook | TC USASaver HB 04.07 |
| • USA Savers Enrollment Form | TC USASavers App 04.07 |
| • USA Savers Online Enrollment Form | TC USAS Online App 04.07 |
| • USA Savers Identification Card | SAV 1206 |

The Company provided a sample of a membership kit for review. The kit was in compliance with Section 636.216, Florida Statutes.

The Company reports that it has no Spanish enrollments and members are not enrolled by phone.

Charges

Section 636.216(1), Florida Statutes requires a DMPO to file all charges with the Office. The Company has a Monthly Periodic Charge of \$9.00 and does not charge a one time processing fee. No violations were noted.

ACTIVE MEMBERSHIP REVIEW

As of September 30 2007, the Company had 22 active memberships, 100% of which enrolled after the Office's approval of the filed forms on July 19, 2007.

Enrollment Procedures

Members are enrolled by TeamCorp through the use of either paper forms or electronically over the Internet. There are no telephonic enrollment procedures. TeamCorp is responsible for sending fulfillment materials to all members.

Sample Review

All 22 membership files were reviewed. Team Corp maintains the individual membership files. The examiner verified the charges to the Company's records with no violations noted.

Memberships prior to March 6, 2007

There were no members enrolled prior to March 6, 2007.

CANCELLATION REVIEW

The Company reported 3 membership cancellations between July 19, 2007 and September 30, 2007. All were reviewed and found to be in compliance with Section 636.208(2), Florida Statutes, which requires a full refund of the membership fee if the member cancels within 30 days and returns the membership card.

COMPLAINT/GRIEVANCE REVIEW

USA For Health Care Subscriber Complaint Procedures addresses both refunds and complaints. The refund section outlines a member's option of a 30 day free look period, the refund request, and 100% of dues processed within 2 days. The complaint section outlines specific steps USA will take to assist members on complaints of service, price, and lack of savings. These procedures appear to be all encompassing and designed to assist the members in problem resolution. The Company reports that no complaints have been filed to date.

WEBSITE REVIEW

USA For Health Care Website

As a condition of licensure, a discount medical plan is to establish an internet website page on which it is to maintain an up-to-date list of the names and addresses of its providers, in compliance with Section 636.226, Florida Statutes. Viewers can access the provider directories from the Company's website, www.usaforhealthcare.com.

A review of the website was conducted during the on-site examination for compliance with Sections 636.212 and 636.216, Florida Statutes. No violations were noted.

ADVERTISING REVIEW

The Company submitted 1 brochure for review, which was reviewed to determine compliance with Sections 636.210, 636.212 and 636.228, Florida Statutes. No violations were noted.

EXAMINATION FINAL REPORT

The Office hereby issues this report as the Final Report, based upon information from the examiner's draft report, additional research conducted by the Office, and additional information and comments provided by the Company in response to the draft report.