



OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

WHOLESALE BENEFITS CLUB, INC.
2007 Market Conduct Examination

CASE NO.: 91459-07

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between WHOLESALE BENEFITS CLUB, INC. (hereinafter referred to as "WHOLESALE 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. WHOLESALE BENEFITS is a foreign discount medical plan organization that was authorized to transact discount medical plan business in Florida by the OFFICE on January 27, 2006, pursuant to the Chapter 636, Part II, Florida Statutes.
3. The OFFICE conducted a market conduct examination of WHOLESALE BENEFITS in 2007 pursuant to Section 636.206, Florida Statutes. As a result, it has been determined that WHOLESALE BENEFITS violated the following provisions of the Florida Insurance Code:

a. Section 636.214(3)(c), Florida Statutes – Failure to have a provision in a provider network agreement that requires the network to provide an up-to-date list of its contracted providers on a monthly basis to 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.

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

a. WHOLESale BENEFITS certified to the OFFICE that as of May 31, 2007, it has terminated all of its discount medical plan members in Florida. On June 4, 2007, WHOLESale BENEFITS voluntarily surrendered its license to operate as a Florida discount medical plan organization. WHOLESale BENEFITS agrees that if it should apply for licensure as a discount medical plan organization in Florida in the future, it shall thereafter comply with all of the provisions of Chapter 636, Part II, Florida Statutes, and the Florida Administrative Code.

b. WHOLESale BENEFITS agrees that if it should apply for licensure as a discount medical plan organization in Florida in the future, it shall pay an administrative penalty

of One Thousand Five Hundred Dollars (\$1,500) and costs of Three Thousand Dollars (\$3,000) for violations incurred prior to the June 4, 2007 voluntary surrender of its license to operate as a Florida discount medical plan organization.

6. WHOLESALE BENEFITS 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 WHOLESALE BENEFITS may be deemed willful, subjecting WHOLESALE BENEFITS to appropriate penalties.

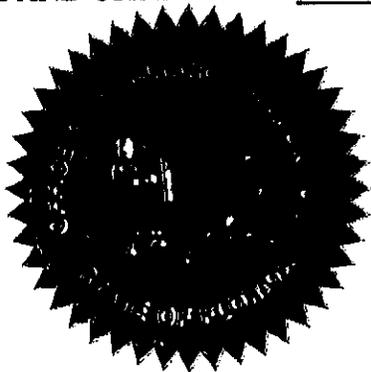
7. WHOLESALE BENEFITS agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject WHOLESALE BENEFITS to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between WHOLESALE 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 30TH day of JUNE, 2008.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, WHOLESale BENEFITS CLUB, 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 WHOLESale BENEFITS CLUB, INC. to the terms and conditions of this Consent Order.



WHOLESale BENEFITS CLUB, INC.

By: _____
Title: President
Date: 6/10/08

STATE OF Arizona
COUNTY OF Arizona

The foregoing instrument was acknowledged before me this 10th day of June, 2008,
by Mark Mendi as President for
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
Wholesale Benefits Club, Inc.
(Company name)

Personally Known X or Produced Identification _____

Type of Identification Produced _____

Notarial Seal  JODY PACHECO
Notary Public - Arizona
Maricopa County
Expires 02/15/10

(Signature of the Notary)
Jody Pacheco
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires: 02/15/10

COPIES FURNISHED TO:

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