

FILED

DEC 11 2012



Dictated by: *HT*

OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

Case No.: 129165-12

HEALTH OPTIONS, INC.
2010 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between HEALTH OPTIONS, INC. (hereinafter referred to as "HOI") 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. HOI is a domestic health maintenance organization authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE conducted a market conduct examination of HOI, pursuant to Section 641.27, Florida Statutes. As a result, the OFFICE determined that HOI violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code:
 - a) Section 624.418 Florida Statutes - Failure to ensure contracted administrators held appropriate Certificates of Authority.

b) Section 626.371(1), Florida Statutes - Failure to notify the Department of Financial Services ("DFS") within 45 days of appointment.

c) Section 626.471(1), Florida Statutes - Failure to provide at least 60 days advance written notice to the appointee of its intent to terminate appointment.

d) Sections 626.471(2) & (3) and 626.511, Florida Statutes - Failure to notify DFS within 30 days of appointment termination and provide the reason for the termination.

e) Section 627.6699(6), Florida Statutes - Failure to correctly calculate the premium for a small group policy.

4. The OFFICE and HOI expressly waive a hearing in this matter, and the making of Findings of Fact and Conclusions of Law by the OFFICE and other proceedings to which the parties may be entitled by law or by the rules of the OFFICE. HOI hereby knowingly and voluntarily waive all rights to challenge or to contest the provisions of this Consent Order, in any forum now available, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

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

a) HOI shall pay a penalty of \$56,000 and administrative costs of \$3,000 within 30 days after the Consent Order is executed.

b) HOI shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

c) HOI 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 HOI may be deemed willful, subjecting HOI to appropriate penalties.

d) HOI must provide to the OFFICE certification by an officer of the Company that corrective actions requested in the examination report have been completed. The certification is to be received within 30 days after the Consent Order is executed

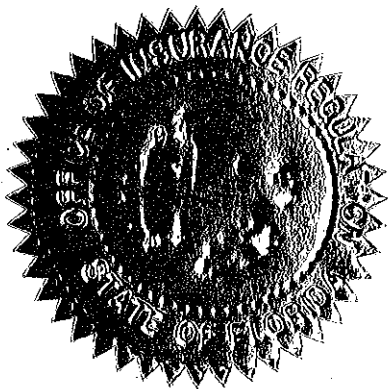
6. HOI agrees that the failure to adhere to one or more of the above terms and conditions of this Order shall constitute a violation of a lawful order of the OFFICE, and shall be subject to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between HOI 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 10th day of December 2012.



A handwritten signature in black ink, appearing to read "Kevin M. McCarty". The signature is written over a horizontal line.

KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, HEALTH OPTIONS, INC. consents to entry of this Consent 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 HEALTH OPTIONS, INC. to the terms and conditions of this Consent Order.

HEALTH OPTIONS, INC.

By Robert Chris Doerr

Robert Chris Doerr
Print or Type Name

Title: CEO

Date: 12/3/12

Corporate Seal

STATE OF Florida

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 3 day of December 2012,

by Robert Chris Doerr as CEO
(Name of person) (type of authority e.g. officer, trustee attorney in fact)

for Health Options Inc
(company name)

[Signature]
(Signature of the Notary)

[Stamp]
Notary Public State of Florida
(Print, Type or Stamp Commissioned Name of Notary)
My Commission EE111114
Expires 07/13/2015

Personally Known or Produced Identification _____

Type of Identification Produced _____

[NOTARIAL SEAL]

My Commission Expires: 7-13-2015

COPIES FURNISHED TO:

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