

2000 PROPERTY AND CASUALTY TARGET MARKET CONDUCT EXAMINATION

OF

ALLIANCE OF MANAGED HEALTHCARE PROVIDERS PURCHASING GROUP, INC.

BY

THE FLORIDA DEPARTMENT OF INSURANCE

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I. INTRODUCTION

Alliance of Managed Healthcare Providers Purchasing Group, Inc. is a Risk Purchasing Group registered to conduct business in the State of Florida during the scope of this examination. The scope of the examination includes all policies placed during 1999 and 2000. Risk Purchasing Groups are required to comply with Chapter 627 Part XIX, Florida Statutes. The purpose of this examination was to determine if any risk of loss was being retained by the Purchasing Group.

Per this examination, records planned for review included cash receipts journals, cash disbursements journals, procedures for the flow of premiums into and out of the group, procedures for claims processing, including any claims which were paid by the Risk Purchasing Group, the membership list of the group and the registration with the Department.

This report contains examination results addressing all areas of noncompliance found during the course of the examination. In any instances of noncompliance, the Risk Purchasing Group was directed to take corrective action as required to place the Risk Purchasing Group in compliance with Florida Statutes/Rules.

## II. REVIEW OF PREMIUM AND CLAIM PROCESSES

### A. GENERAL COMMENTS

A meeting was held with Purchasing Group staff in order to identify the procedures for receipt and disbursement of premiums, as well as for procedures, if any, associated with the payment of claims. At this meeting the Purchasing Group staff stated that the Purchasing Group function was in its initial stages of being established and no Purchasing Group procedures or bank accounts had been established. Furthermore, no Purchasing Group premiums had been collected and no claims had been handled.

### B. EXAMINATION FINDINGS

The Alliance of Managed Healthcare Providers Purchasing Group became registered on June 29, 1998 and has conducted no Purchasing Group premium or claims related insurance transactions. In addition, no bank accounts, journals, or written operating procedures have been established by the Purchasing Group as the Purchasing Group is not operational. As the Purchasing Group has never been operational, the examination results conclude that no risk of loss has been retained by the Purchasing Group.