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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

EMPLOYER DIRECT HEALTH LLC
5050 Spring Valley Road
Dallas, TX 74244-3909
License No. 432626

STIPULATION AND ORDER

Docket No. 2013-013 LC

Enf. Case No. 3247

STIPULATION

1. Respondent, Employer Direct Health LLC is a licensed non-resident third party administrator in the State of Utah, License No. 432626.

2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:

- a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
- b. Respondent admits the Findings of fact and Conclusions made therefrom;
- c. Respondent stipulates to the summary entry of the Order herein which

shall be in lieu of other administrative proceedings by Complainant in this matter; and

d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.


3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence, and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

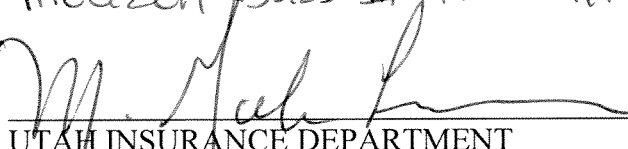
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 15 day of February, 2013.



EMPLOYER DIRECT HEALTH LLC
Kelly Sherrill, Operations Manager
Mouzon Bass III, President



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon
Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. Respondent Employer Direct Health LLC is a licensed non-resident Third Party Administrator in the State of Utah.
2. On October 17, 2012, Respondent electronically submitted a an application for a non-resident TPA license on which it answered “no” to the questions regarding criminal history and administrative actions.
3. The Department was notified by the National Association of Insurance Commissioners (NAIC) that Respondent had an administrative action taken against it by the State of Oklahoma in 2004, and an action by the State of Texas in 2007. Respondent’s license application filed with the Department on October 17, 2012, did not disclose these actions.
4. On November 16, 2012, the Market Conduct examiner requested Respondent to provide the following:
 - a. an explanation for not disclosing its administrative action history;
 - b. an explanation of the administrative actions; and
 - c. copies of the notice of hearing or other documents stating the charges and a copies of the official dockets which demonstrate the resolution of the actions and any final judgments.
5. On November 19, 2012, Respondent provided an explanation and the requested documents to the Department. The records indicated that in April 2007, an administrative action in Texas for failure to pay claims and failure to notify Texas of an address change resulted in a

\$150,000 forfeiture. In 2004 Respondent entered into a consent order in Oklahoma for transacting business without a license and paid a forfeiture of \$250.00.

5. On November 23,2012 Respondent agreed to an administrative forfeiture of \$1,000 in this matter.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. In failing to disclose prior administrative actions taken against it by other states in its license application, Respondent violated Utah Code Ann. § 31A-25-202(1)(b)(ii)(D).

3. An administrative forfeiture in the amount of \$1,000.00 is appropriate in this matter.

NOTIFICATION

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeiture of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

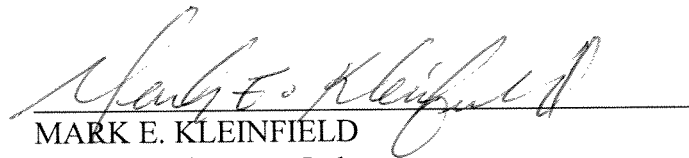
ORDER

IT IS HEREBY ORDERED:

Respondent, Employer Direct Health LLC, is assessed a forfeiture of \$1,000.00 to be paid to the Department within 30 days of date of this Order.

DATED this 26th day of February, 2013.

TODD E KISER
Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

CERTIFICATE OF MAILING

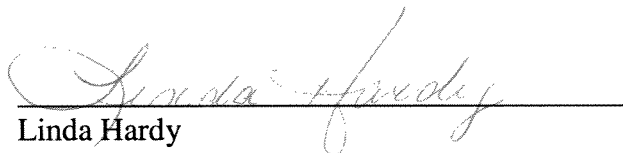
I do hereby certify that on this date I mailed, by regular mail postage prepaid, a true and correct copy of the attached:

STIPULATION
&
ORDER

To the following:

Employer Direct Health LLC
Attn: Mr. Bass
5050 Spring Valley Road
Dallas, TX 74244-3909

DATED this 26th day February, 2013



Linda Hardy
Market Conduct
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901
801-538-3860

**UTAH
Invoice**

Printed Date: February 21, 2013

Invoice Date: February 21, 2013
Balance Due: \$0.00
Due Date: March 28, 2013
Invoice ID: 624732

EMPLOYERS DIRECT HEALTH INC
5050 SPRING VALLEY ROAD
DALLAS TX 75244-3909

Item Description	Amount
Monetary Penalty Agency	\$1,000.00
Original Amount Due	\$1,000.00
Payments Received	
2/21/2013 Check	\$1,000.00
Balance Due	\$0.00

**UTAH
Invoice**

Printed Date: February 21, 2013

Invoice Date: February 21, 2013
Balance Due: \$0.00
Due Date: March 28, 2013
Invoice ID: 624732

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901