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UTAH STATE
INSURANCE DEPT.

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[Handwritten signature]
7/19/2013

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

COMPLAINANT: UTAH INSURANCE DEPARTMENT RESPONDENT: IHC HEALTH SOLUTIONS, INC. 2101 W Peoria Avenue, Suite 100 Phoenix, AZ 85029 License Nos. 432470	STIPULATION AND ORDER Docket No. 2013-104 LC Enf. Case No. 3321
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STIPULATION

1. Respondent, IHC Health Solutions, Inc., License No. 432470, is a nonresident third party administrator in the State of Utah, Utah license no. 432470.

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.

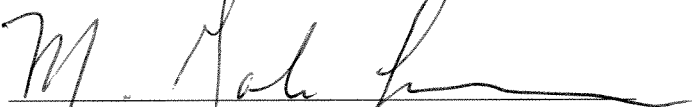
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

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

7. If this agreement is not accepted or the penalty is not imposed as agreed upon by the parties, then this Stipulation will be void or of no effect.

DATED this 25 day of July, 2013.



IHC HEALTH SOLUTIONS, INC.
Diane Marlow, Compliance Specialist
Pete Wirsig, Chief Operations Officer


UTAH INSURANCE DEPARTMENT
M. Gale Lemmon, Assistant Attorney General

IHC
Legal & Compliance
Approved

7/15/13

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

FINDINGS OF FACT

1. On or about October 23, 2012, John K. Fahey, former Director of Compliance at IHC Health Solutions, Inc. notified the Department that its records did not reflect IHC Health Solutions, Inc as a licensed third party administrator. Mr. Fahey further stated that a renewal filing along with the renewal application and the name/merger documentation was submitted to the Department in December 2010. Thereafter, a department licensing specialist requested a copy of Respondent's check for the filing fee allegedly submitted to the Department.

2. On November 19, 2012, Mr. Fahey responded to the request explaining that a copy of the check was not located, and upon investigation, it was found that a clerical error omitted the attachment of the check to the paperwork submitted to the Department. This resulted in the non-renewal of the license.

3. The Department's Licensing Director referred the matter to the Market Conduct Division as it appeared the Respondent had been operating in Utah without an active nonresident license. On December 21, 2012 a letter from the Division to Respondent requested a list of all business written in Utah from December 31, 2010 through December 21, 2012, the period during which Respondent's license was lapsed.

4. On January 14, 2013, Mr. Fahey replied with spreadsheets reflecting policies written during the period Respondent did not possess an active license in Utah.

5. Respondent initially brought the license lapse issue to the Department's attention and was timely in its responses to requested information.

6. Respondent has agreed to an administrative forfeiture in the amount of \$3,000.00 and 12 months probation.

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

CONCLUSIONS OF LAW

1. Utah Code Annotated Section 31A-23a-103 states that unless exempted under circumstances not relevant here, a license is required to engage in any insurance business in the State of Utah

2. Respondent violated the above statutory provision by writing business in Utah from December 31, 2010 through December 21, 2012, the period during which it was not licensed.

3. The agreement between the Department and Respondent for an administrative forfeiture in the amount of \$3,000.00 and 12 months probation is appropriate in this matter.

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:

1. Respondent, IHC Health Solutions, Inc. is assessed an administrative forfeiture of

\$3,000.00, to be paid within 30 days of the date of this Order.

2. Respondent's license is placed on probation for a period of 12 months beginning with the date of this Order.

3. The terms of probation are that Respondent shall pay the administrative forfeiture assessed herein in a timely manner and that Respondent shall not have any violations of the Utah Code, Department Rules, or any order of the Commissioner.

DATED this 29th day of JULY, 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

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.