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**FILED**  
**FEB 04 2013**  
Department of Insurance  
State of Idaho

*Attorneys for Idaho Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE  
OF THE STATE OF IDAHO**

In the Matter of:

NAHGA, INC.,

An Idaho-Licensed Non-resident Third  
Party Administrator, Holding License  
No. 382482

Docket No. 18-2845-13

**CONSENT ORDER**

COME NOW the State of Idaho, Department of Insurance (Department), by and through its counsel, A. René Martin, Deputy Attorney General, and NAHGA, Inc. (NAHGA), and hereby stipulate and agree as follows:

**FINDINGS OF FACT**

1. NAHGA is licensed in Idaho as a non-resident third party administrator, holding Idaho Non-resident Third Party Administrator License No. 382482, since the date of original issue on July 13, 2011.

2. On June 25, 2012, the Commissioner of Insurance of the State of Georgia entered into a Consent Order with NAHGA (Georgia Order), which included a finding that NAHGA had provided services in Georgia as a third-party administrator while not being properly licensed to do so pursuant to applicable Georgia law. Such Georgia Order reflected imposition of a five thousand dollar (\$5,000) penalty against NAHGA for such violation. It appears that NAHGA timely paid such penalty.

3. On September 20, 2012, the Nebraska Department of Insurance entered into a Consent Order with NAHGA (Nebraska Order), which included findings that NAHGA had violated provisions of Nebraska insurance law and imposed a penalty of two thousand five hundred dollars (\$2,500) for such violations.

4. NAHGA did not provide the Department with notice of the entry of the Georgia Order and the Nebraska Order within thirty (30) days of the entry of such orders.

5. On or about December 10, 2012, the Department received from NAHGA an application for renewal of NAHGA's Idaho non-resident third party administrator license (Renewal Application). NAHGA attached to such renewal application copies of both the Georgia Order and the Nebraska Order. This constituted the first notice of the entry of such orders provided to the Department by NAHGA.

#### **CONCLUSIONS OF LAW**

6. Idaho Code § 41-916(1) provides that a third-party administrator shall report to the Director any administrative action taken against such administrator in another jurisdiction or by another governmental agency within thirty (30) days of the final disposition of the matter. That section also requires that the third-party administrator also provide the Department with a copy of the order, consent order or other relevant documents.

7. NAHGA's failure to report the Georgia Order and the Nebraska Order to the Department within thirty (30) days of the final disposition of the administrative actions resulting in such orders constitutes violations of Idaho Code § 41-916(1).

8. Idaho Code § 41-915(2)(a) authorizes the Director to deny, suspend, or revoke the license of a third-party administrator if the Director finds that the third-party administrator has "violated any lawful rule or order of the Director or any provision of title 41, Idaho Code." NAHGA's failure to timely report the Georgia and Nebraska Orders, as referenced above, constitutes two separate violations of Idaho Code § 41-916(1). Each violation establishes a separate ground for the suspension or revocation of NAHGA's Idaho non-resident third-party administrator license, pursuant to Idaho Code § 41-915(2)(a).

9. Idaho Code § 41-915(4) provides that the Director may, "in lieu of suspension or revocation, impose an administrative penalty upon the [third party] administrator, pursuant to section 41-117, Idaho Code," which section provides for a penalty of not more than five thousand dollars (\$5,000).

### **SANCTION**

10. As a sanction for the two violations referenced above, the Department and NAHGA agree that NAHGA shall pay to the Department an administrative penalty in the amount of five hundred dollars (\$500) per violation, for a total penalty of one thousand dollars (\$1,000), by no later than February 8, 2013.

11. NAHGA agrees that in the future it will comply with all requirements of the Idaho Insurance Code and rules promulgated thereunder, including specifically all requirements relating to the reporting of administrative actions taken against NAHGA in another jurisdiction or by another governmental agency.

12. NAHGA acknowledges that this is an administrative action that may be required to be reported on Department licensing applications and license renewal forms.

13. This Consent Order constitutes full and final resolution of all matters addressed herein, and the Department agrees that, upon NAHGA's execution of this Consent Order and its full compliance with all terms and conditions set forth herein, the Department shall seek no further sanctions for the violations addressed herein.

DATED this 24 day of JANUARY, 2013.

Paul A. Chalmers,  
V-Pres.

NAHGA, INC.

By: TOM CHALMERS, To Chalmers

Title: COMPLIANCE MANAGER

DATED this 4th day of FEBRUARY, 2013.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

Georgia Siehl

GEORGIA SIEHL  
Bureau Chief, Company Activities

IT IS SO ORDERED.

DATED this 4th day of FEBRUARY, 2013.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

William W. Deal  
WILLIAM W. DEAL  
Director

### CERTIFICATE OF SERVICE

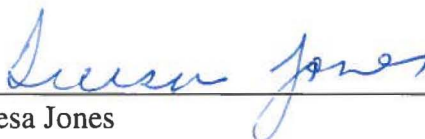
I HEREBY CERTIFY that on this 4th day of February, 2013, I caused a true and correct fully-executed copy of the foregoing CONSENT ORDER to be served on the following by the designated means:

NAHGA, Inc.  
Attn: Tom Chalmers  
P.O. Box 189  
Bridgton, ME 04009-0189

☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

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Teresa Jones