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Attorney General

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Deputy Attorney General
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FILED *tj*

APR 05 2012

Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

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

In the Matter of:

IHC HEALTH SOLUTIONS, INC.,
f/k/a GroupLink, Inc., an Indiana corporation,

Expired Third Party Administrator License No.
59705,

Respondent.

Docket No. 18-2749-12

**STIPULATION FOR CONSENT
ORDER**

The parties herein, namely the Idaho Department of Insurance (“**Department**”) and its counsel of record, Richard B. Burleigh, Deputy Attorney General, and IHC HEALTH SOLUTIONS, INC., f/k/a GroupLink, Inc., an Indiana corporation, with expired Third Party Administrator License No. 59705 (“**IHC**”), do hereby agree and stipulate to the following facts and conclusions of law:

1. That the Director of the Idaho Department of Insurance has jurisdiction over this matter pursuant to title 41, Idaho Code.

2. That IHC was granted Third Party Administrator license no. 59705 effective November 21, 1997, pursuant to the previous version of chapter 9, title 41, Idaho Code (which chapter was replaced by the current version in 2010).

3. That IHC's Third Party Administrator (TPA) license no. 59705 expired as of December 31, 2010 due to IHC failure to timely file for a renewal of said license.

4. That IHC did not file for a renewal of said license (or submit a new license application pursuant to Idaho Code § 41-913) until July of 2011 and only after being notified by the Department that IHC's license had lapsed. The licensing material submitted by IHC as of the date of this Stipulation remains incomplete.

5. That from and after January 1, 2011, IHC continued to operate as an administrator in Idaho, notwithstanding the fact that its license had expired.

6. That operating as a TPA without a license is in violation of Idaho Code §§ 41-910, 41-911 and 41-912.

7. That IHC failed to file a new license application as required by Idaho Code § 41-913.

8. That Idaho Code § 41-916 requires that IHC file notice of any administrative action in any other state within thirty (30) days following such administrative action.

9. That various states filed regulatory actions against IHC including Louisiana (2001 - license revoked), Alaska (2003 - unregistered activity / penalty imposed), Ohio (2003 / 2004 - other state actions / penalty imposed), Nevada (2003 - failure to timely file / penalty imposed) and Oklahoma (2006 - no license / penalty imposed).

10. That IHC reported to the Department the regulatory actions identified in the preceding paragraph in April of 2006 but that none of these regulatory actions were timely reported to the Department as required by Idaho Code § 41-916.

11. That additional regulatory actions not reported to the Department as required by Idaho Code § 41-916 were brought by the state of Nevada (2010 / 2011[two separate actions] -- failure to timely file / penalty imposed) and the state of South Dakota (2011 - failure to timely file / penalty imposed).

12. That IHC admits the following:

- a. That it failed to timely file for renewal of its administrator license as required by Idaho Code § 41-913(1):
 - i.) on or before December 31, 2010 with payment of a normal renewal fee or
 - ii.) between January 1, 2011 through January 31, 2011 subject to payment of a double renewal fee.
- b. That it failed to file a new application for a home state license or nonresident administrator license as required by Idaho Code § 41-913(1) after having failed to timely file for a renewed license.
- c. That it continued to operate as an administrator in the state of Idaho since January of 2011 notwithstanding the fact that it did not have an active nonresident or home state administrator license in Idaho as is therefor in violation of Idaho Code § 41-911 and § 41-912.
- d. That it failed to report or timely report administrative actions brought against it by governmental agencies in other states within thirty (30) days of the final disposition of those matters in violation of Idaho Code § 41-916.

13. That Pursuant to Idaho Code § 41-117 and § 41-915(4), the Department can seek general penalties against IHC of up to five thousand dollars (\$5,000.00) per violation of the Idaho Insurance Code.

14. That in lieu of an administrative enforcement action, the parties agree that this matter can be brought to a close by a negotiated and stipulated settlement and entry of a Consent Order.

15. That IHC agrees to pay a five thousand dollar (\$5,000.00) penalty to the Department within three (3) days of the execution of the Consent Order attached hereto.

16. That nothing in this Stipulation or the Consent Order shall affect the Department's review of IHC's pending administrator license application, which review and approval, if appropriate, shall proceed in the Department's normal course.

17. That IHC acknowledges that it has had the opportunity to consult with counsel concerning this Stipulation and proposed Consent Order. That IHC waives its right to notice and hearing at which it may be represented by counsel, present evidence and examine witnesses. IHC waives its right to submit this matter for review by a court of competent jurisdiction.

18. That the parties agree that the terms of this Stipulation is appropriate and proper under the circumstances referenced herein, and that they have entered into this Stipulation knowingly, voluntarily and with full knowledge of any rights they may be waiving thereby.

19. That the parties hereby waive the right to seek reconsideration and judicial review of the Consent Order to be entered herein.

20. That the parties hereto have reviewed the proposed Consent Order, attached hereto as Exhibit A and incorporated herein by this reference, and agree as to its form and that said Consent Order may be submitted to the Director of the Idaho Department of Insurance for his review, approval and signature.

[Signatures on following pages.]

AGREED THIS 5th day of April, 2012.

IDAHO DEPARTMENT OF INSURANCE

By: Georgia Siehl
Georgia Siehl, CPA, CFE
Bureau Chief, Chief Examiner
Idaho Department of Insurance

Approved as to Form:

OFFICE OF THE ATTORNEY GENERAL

By: [Signature]
Richard B. Burleigh
Deputy Attorney General
Attorney for the Idaho Department of Insurance

EXHIBIT A
CONSENT ORDER

LAWRENCE G. WASDEN
Attorney General

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Docket No. 18-2749-12

CONSENT ORDER

The parties hereto, namely the Idaho Department of Insurance and IHC HEALTH SOLUTIONS, INC., f/k/a GroupLink, Inc., an Indiana corporation, expired Third Party Administrator License No.59705, having entered into a STIPULATION FOR CONSENT ORDER, a copy of which is attached hereto, and the Director having reviewed the same and based on the foregoing and in consideration of the premises,

IT IS HEREBY ORDERED that the STIPULATION FOR CONSENT ORDER, attached hereto, is approved and adopted as an Order of the Director, and is incorporated herein as if set forth in full and made a part hereof; and,

IT IS FURTHER ORDERED that IHC HEALTH SOLUTIONS, INC., shall pay to the Department a penalty in the amount of five thousand dollars (\$5,000.00) due and payable in full within seven (7) business days from the execution of this order.

IT IS SO ORDERED.

DATED this _____ day of _____, 2012.

By: _____
Thomas A. Donovan, Deputy Director
IDAHO DEPARTMENT OF INSURANCE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have, on this ____ day of _____, 2012, caused a true and correct copy of the foregoing CONSENT ORDER to be served upon the following by the designated means:

John K. Fahey
Assistant General Counsel, Director of
Compliance
IHC Health Solutions, Inc.
2101 W. Peoria Avenue, Suite 100
Phoenix, AZ 85029

- first class mail
- certified mail
- hand delivery
- via facsimile

Richard B. Burleigh
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street
Boise, Idaho 83720-0043

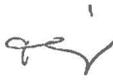
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Teresa Jones

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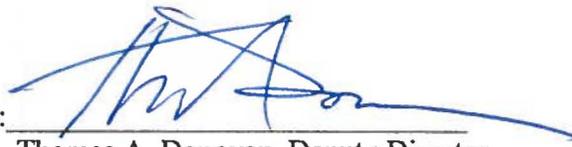
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