

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
550 WEST SEVENTH AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99501-3567
PHONE: (907) 269-7900
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1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
3 DIVISION OF INSURANCE

4 CEASE AND DESIST ORDER D 05-13

5 TO: Signature Health Group
6 1701 West Hillsboro Blvd., #205
7 Deerfield Beach, FL 33442

8 The Division of Insurance (division) has determined that Signature Health Group (Signature)
9 has been transacting the business of insurance in Alaska **without authorization**, in violation
10 of AS 21.09.010 and AS 21.27.010. Alaska law states:

11 "insurance" means a contract whereby one undertakes to indemnify another or pay or
12 provide a specified or determinable amount or benefit upon determinable
13 contingencies. AS 21.90.900(24)

14 Under AS 21.27.010

- 15 (a) . . . a person may not act as or represent to be an insurance producer. . . in this state
16 unless licensed
17 (b) An insurance producer . . . may not solicit or take applications for, procure, place
18 for others, or otherwise transact business for a kind or class of insurance for which the
19 person is not licensed.

20 Further, Signature is in violation of AS 21.36.030(a), which states in part:

21 A person may not make, issue, circulate, broadcast, or have made, issued, circulated,
22 or broadcast an estimate, circular, statement, illustration, comparison, assertion, or
23 other written, electronic, or oral presentation that

- 24 (1) misrepresents the benefits, advantages, conditions, sponsorship, source, or terms
25 of an insurance policy or a health discount plan;
26
27 (12) misrepresents a health discount plan as a form or type of insurance;
28 (13) describes a health discount plan using common insurance terminology; or
29 (14) misrepresents that a health discount plan is underwritten by or associated with an
30 insurer.

31 Under AS 21.90.900(45), a

32 "health discount plan" means a card, program, device, arrangement, contract, or
33 mechanism that purports to offer discounts or access to discounts on health care
34 services or supplies and that is not insurance or that does not provide coverage for
35 services or benefits regulated under AS 21.86 or AS 21.87.

36 Through your internet website of <http://www.hcaplus.com> and the listed 800 phone number,
Signature is selling insurance to Alaskan residents.

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While on the website Signature claims that the plan is not insurance, the language used in describing the plan benefits, plan summary, and provider network is fraught with terminology that customarily is used to describe insurance. These terms would lead the average consumer to believe that the product being offered is insurance. The benefits listed on the Alaska-specific pages of the website misrepresent the benefits and advantages of the health discount plans offered. See AS 21.36.030(a)(1), (13), and (14). Moreover, the site offers accidental death and dismemberment benefits, which is a clear and illegal solicitation to sell insurance in Alaska without a license, in violation of AS 21.27.010.


In violation of AS 21.36.155(a)(5) and (6), the Signature website provides for cancellation **"if requested within three business days of purchase"** and excludes the application fee from being refunded.

Additionally, an Alaskan consumer has reported to the division that, in her phone conversation with a Signature sales representative, she was provided with information that led her to believe that the program she was purchasing was health insurance. At no time did the sales representative deny that the plan was health insurance, state that it was a health discount plan, or that she would be responsible for paying repriced bills. To the contrary, the sales representative used specific insurance terms such as "premium," "coverage," and "co-payment." He also represented to her that the medical clinic and pharmacy she used were covered under the plan but when she received her enrollment package neither one was included.

Signature Health Group is hereby ordered to cease and desist from further transacting the business of insurance in the State of Alaska. Continued transaction of insurance by Signature Health Group in Alaska will be considered a wilful violation and subject to appropriate action under the insurance code. Further, a violation of the insurance code is considered a fraudulent insurance act under AS 21.36.360(p)(1), which may be prosecuted as a class B misdemeanor under AS 21.36.360(q).

This order is effective immediately.

Dated at Anchorage, Alaska this 1st day of July, 2005.


Linda S. Hall
Director