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2 BEFORE THE STATE OF ALASKA
3 OFFICE OF ADMINISTRATIVE HEARINGS
4 ON REFERRAL FROM THE DIRECTOR OF THE DIVISION OF INSURANCE

4 In the Matter of)
5)
6 INTERNATIONAL ASSOCIATION) OAH No. 05-0562-INS
7 OF BENEFITS) Division No. D 05-14
8)

8 **STIPULATED AGREEMENT AND ORDER**

9 The State of Alaska, Department of Commerce, Community, & Economic
10 Development, Division of Insurance (division) and International Association of Benefits
11 (IAB), stipulate and agree that all allegations of violations AS 21.09.010; AS 21.27.010;
12 AS 21.36.030; and 21.36.155 that are included in the Cease and Desist Order D 05-14
13 issued to IAB are resolved by agreement as follows.

15 **BACKGROUND**

16 1. IAB is a membership association subject to regulation by the division
17 as a health discount plan (HDP). IAB sells membership packages that give the members
18 access to discounted savings on health care services, which savings are given to the
19 members by a health care provider when the provider is in a network organization that has
20 contracted with IAB. IAB also gives members access to certain limited reimbursable
21 insurance benefits that are underwritten, administered, and paid by licensed insurance
22 companies and IAB also gives members certain "lifestyle" benefits that have nothing to do
23 with health care services. IAB is not licensed to sell insurance in Alaska, nor is IAB an
24 authorized insurer in Alaska.
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2 2. IAB does not have direct contracts with health care providers in
3 Alaska. IAB has contracts with network organizations that, in turn, have contracts with the
4 health care providers.

5 3. By Ruling on Interpretation of AS 21.36.155, dated August 2, 2006,
6 Administrative Law Judge David G. Stebing concluded that AS 21.36.155 requires health
7 discount plans to have direct contracts with providers of services. IAB accepts the ruling,
8 but still wants to do business in Alaska, providing members with the other services and
9 benefits that IAB offers beyond the prohibited health care services. Therefore, IAB and the
10 division agree on the following settlement terms to permit IAB to continue to do business in
11 Alaska without violating Alaska's insurance laws.

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14 **SETTLEMENT TERMS**

15 4. IAB will change its current website at <http://www.iabbenefits.com> to
16 comply with the cancellation and refund requirements under AS 21.36.155(a)(5) and (6).

17 5. IAB's website and any other advertising or promotional material
18 accessible by Alaska consumers will make clear that IAB's health care services are not
19 available in Alaska. Rather, IAB will offer memberships to individuals in Alaska that are
20 based on the benefits described in IAB's website as the "Platinum Plus Sunshine" or other
21 "Sunshine" plans; however, IAB will exclude the "Discount Medical Benefits" listed in the
22 Sunshine plans for Alaskans.

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24 6. IAB also agrees to make clear that it is not an insurer or acting as an
25 insurance broker with respect to the limited reimbursable association insurance benefits that
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members can receive and in all of its advertising or solicitation materials to refer to the incidental insurance benefits as follows or in language substantially similar to the following:

“your membership allows you to participate in very limited supplemental insured indemnity benefits provided through group blanket insurance policies. They are not intended to approximate or replace health insurance. You will be given insurer prepared summaries and an insurer toll free phone number for all benefit details. All questions will be answered by qualified insurance company personnel. Any potential insurance reimbursement may be subject to contract limitations and/or exclusions. For coverage details from a qualified insurance company representative call, toll free, 1-800...”

7. Because of the change in the benefit plans in Alaska, IAB will notify current Alaska members of the changes and offer these members cancellation and refund opportunities as allowed under AS 21.36.155(a)(5) and (6)

8. IAB ensures that any future websites or other communications to the public will comply with the terms of this agreement and Alaska’s insurance laws.

9. The division and IAB understand that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

10. By executing the order approving this agreement, the director dismisses Cease and Desist Order D 05-14 issued in this matter.

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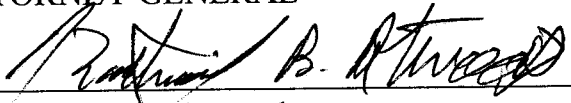
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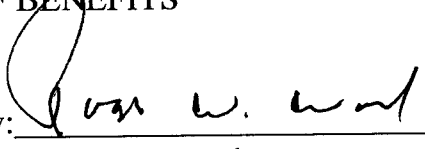
DATED: 6/25/07

TALIS J. COLBERG
ATTORNEY GENERAL

By: 
Nathaniel B. Atwood
Assistant Attorney General

DATED: 6/27/07

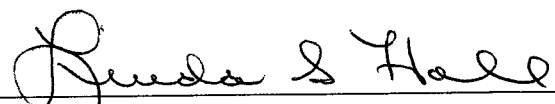
INTERNATIONAL ASSOCIATION
OF BENEFITS

By: 
Roger W. Wood
Attorney for IAB

ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the issues in this case, and shall constitute the final order in this matter.

DATED this 2nd day of July, 2007 at Anchorage, Alaska.


Linda S. Hall
Director of Insurance