

STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE  
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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of: )  
)  
FAIRMONT PREMIER )  
INSURANCE COMPANY )  
)  
Insurer. )  
\_\_\_\_\_ )

Case No. D 09-03

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Fairmont Premier Insurance Company (FPIC), in lieu of further enforcement proceedings relating to the matters addressed herein, stipulate and agree to the following:

I. BACKGROUND

A. The division issued FPIC certificate of authority #577 as a property/casualty insurer on or about April 3, 1961.

B. FPIC underwrote a limited benefits group insurance policy issued to Consumer Health Choice Association until May 2008. This FPIC group insurance contract was "packaged" with a health discount plan offered by Patriot Health Florida, Inc. and marketed by Oxonia Insurance Group (Oxonia) under the name "SureHealth."

C. A total of 145 Alaskans have been enrolled in Oxonia's SureHealth program, including the FPIC group insurance policy.

D. After conducting an investigation, the division determined that FPIC has engaged in the unauthorized sale of insurance in Alaska. The FPIC group policy, which was part of the SureHealth program, was not filed with or approved by the director as required under

1 AS 21.42.120. Further, the policy does not meet the requirements of Alaska law related to  
2 mandated benefits, utilization review, prompt payment of claims, usual and customary charges,  
3 or unfair or deceptive practices.

4 E. The division's investigation also indicated that individuals who are not  
5 licensed as required under AS 21.27.010 may have been involved in soliciting, selling, or  
6 negotiating the SureHealth program to the 145 Alaskans, a violation of AS 21.09.250.

7 F. The violations listed above subject FPIC to civil penalties under  
8 AS 21.36.320 and AS 21.90.020 as well as other provisions of the Alaska insurance laws.

9  
10 II. TERMS OF AGREEMENT

11 1. FPIC agrees to refund all monies it has received from the 145 Alaskans  
12 who purchased the SureHealth program. If FPIC has paid any claims under the SureHealth  
13 program to any Alaskan enrollee, the refund amount to that Alaskan may be reduced by the  
14 amount of the claim payment. Within 90 days of the date that FPIC is notified that the director  
15 has signed the order approving this agreement, FPIC agrees to provide the division with a  
16 complete accounting of the premium payments, claims payment, and refunds for each Alaskan  
17 enrollee at the time FPIC issues the refunds.

18 2. Within 90 days of the date that FPIC is notified that the director has  
19 signed the order approving this agreement, FPIC agrees to provide the division with controls  
20 and procedures it has implemented to prevent Alaskans from being enrolled in the SureHealth  
21 program or other similar plans

22 a. unless and until any insurance plans requiring compliance with  
23 AS 21.42.120 have been filed with and approved by the division; or  
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25  
26

1 b. by persons who are not properly licensed as required by  
2 AS 21.27.010.

3 3. FPIC agrees to pay a civil penalty under AS 21.36.320 and AS 21.90.020  
4 in the amount of \$25,000, with \$15,000 suspended. The unsuspended penalty is payable within  
5 90 days of the date that AMLI is notified that the director has signed the order approving this  
6 agreement.

7  
8 4. In the event FPIC violates the insurance code or applicable regulations,  
9 during the next two years, the suspended portion of the penalty referenced in paragraph 3 will  
10 be reinstated. FPIC also will be subject to any and all sanctions authorized by the insurance  
11 code including imposition of additional fines or penalties.

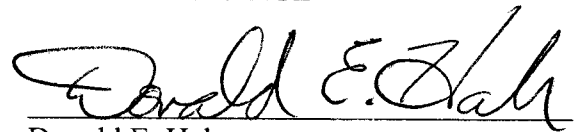
12 5. By signing this agreement, FPIC understands and agrees that it is  
13 waiving its right to a hearing under the insurance code and any right to seek judicial review of  
14 this agreement and the final order approving this agreement. FPIC further understands and  
15 agrees that any failure to comply with the terms of this agreement may be grounds to revoke,  
16 suspend, or non-renew Alaska certificate of authority #577.

17  
18 6. FPIC understands that this agreement is not binding on the parties unless  
19 and until the director signs the order approving the agreement.

20  
21 DATED: 3/12/2009

DIVISION OF INSURANCE

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23 By:

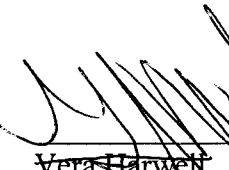
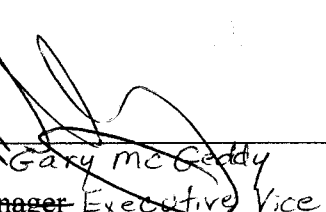


Donald E. Hale  
Market Conduct Examiner

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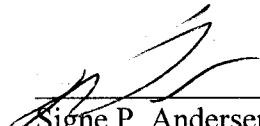
FAIRMONT PREMIER  
INSURANCE COMPANY

By:    
~~Vera Harwen~~ Gary McCeddy  
Compliance Manager Executive Vice  
President

Approved as to form and content:

DATED: 3/18/09

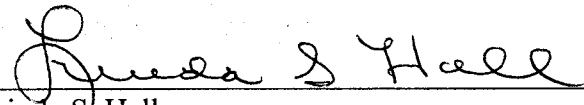
TALIS J. COLBERG  
ATTORNEY GENERAL

By:  FOR  
Signe P. Andersen  
Chief Assistant Attorney General

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 18<sup>th</sup> day of March, 2009.

  
Linda S. Hall  
Director