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

In the Matter of:)
)
ACS HEALTH ADMINISTRATION, INC.,)
d/b/a REWARDS ADMINISTRATION CENTER,))
)
Third Party Administrator.)
_____)

Case No. D 10-01

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and ACS Health Administrations, Inc.,
d/b/a Rewards Administration Center (ACS), the third party administrator (TPA) in this case,
stipulate and agree as follows:

1. ACS has held a TPA registration in this state under No. 50064 since
November 2005. This registration was due to expire on November 29, 2009. In order to renew,
ACS was required to provide the division with audited financial statements for the previous two
years. In order to allow for submission of the statements, the renewal date was extended.

2. The 2008 financial statement indicated that ACS had a negative
stockholder's equity at the end of 2008. On November 24, 2009, ACS submitted copies of a
capital infusion and evidence of transfer, an explanation of the financial losses, and the current
financial status of ACS, as well as an updated balance sheet for the most recent quarter. The
division determined that, even with the additional paid-in capital, ACS did not comply with one
of the requirements to renew the TPA registration under AS 21.27.640(a)(7)(D).

1 3. ACS requested that the division accept an indemnity for ACS to qualify
2 for the renewal of its registration. Upon fulfilling all of the requirements listed in this
3 agreement, the division will renew ACS's registration for one year, expiring on November 29,
4 2010.

5 4. ACS agrees to
6 a. submit documentation that supports the capital infusion and evidence
7 that the funds were transferred to ACS;
8 b. file a \$100,000 surety bond that complies with the requirements of
9 AS 21.27.190(a) and (b), which will remain in force until such time as ACS provides an audited
10 statement that reflects that ACS has positive stockholder's equity;
11 c. submit the in-house financial statement as of September 30, 2009. If
12 the statement shows ACS has a negative stockholder's equity, the TPA registration will not be
13 renewed.
14

15 5. If ACS's registration is issued for a one year, expiring on November 29,
16 2010, at that renewal time, ACS must submit the 2009 certified financial statement for the 2009
17 calendar year. The TPA renewal fee will be waived since the fee was collected in October
18 2009.

19 6. By signing this agreement, ACS understands and agrees that any failure
20 to comply with the conditions of this agreement will be grounds to revoke or not renew Alaska
21 TPA registration No. 50064.

22 7. ACS understands that this agreement is not binding on the parties unless
23 and until the director signs the order approving the agreement.
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DATED: 3/15/10

DIVISION OF INSURANCE

By: Linda Brunette
Linda Brunette
Program Coordinator

DATED: 1/28/10

ACS HEALTH ADMINISTRATION, INC.
d/b/a REWARDS ADMINISTRATION CENTER

By: James F. Bernard
James F. Bernard
Compliance Officer

Approved as to form and content:

DATED: 3/10/10

DANIEL S. SULLIVAN
ATTORNEY GENERAL

By: Daniel Wilkerson
Daniel Wilkerson
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 19th day of March, 2010.

Linda S. Hall
Linda S. Hall
Director of Insurance