

<i>IN RE</i> AUTOMOTIVE WHOLESALERS ASSOCIATION OF NEW ENGLAND, <i>et al.</i>]]]]]	CONSENT AGREEMENT BY HEALTHSOURCE PREFERRED, <i>et al.</i>
DOCKET NO. MCINS-98-39]	

Healthsource Preferred, Inc., Healthsource Maine Preferred, Inc., Employee Benefit Plan Administrators, Inc., Healthsource Maine, Inc., Healthsource New Hampshire, Inc. (collectively the "Healthsource Companies"), and the Maine Superintendent of Insurance hereby enter into this Consent Agreement, pursuant to 5 M.R.S.A. § 9053(2), to resolve without an adjudicatory hearing the Petition for Disciplinary Action filed by Bureau of Insurance staff on September 14, 1998.

Stipulations

1. The Superintendent is the official charged with administering and enforcing the insurance laws of the State of Maine.
2. Healthsource Preferred, Inc. and Employee Benefit Plan Administrators, Inc. are New Hampshire corporations licensed to do business in the State of Maine as third-party administrators pursuant to 24-A M.R.S.A. § 1902.
3. Healthsource Maine Preferred, Inc. is a Maine corporation with a principal place of business in Freeport, and is licensed to do business in the State of Maine as a third party administrator pursuant to 24-A M.R.S.A. § 1902.
4. Healthsource New Hampshire, Inc. is a New Hampshire corporation authorized to do business in the State of Maine as a health maintenance organization pursuant to 24-A M.R.S.A. § 4203.
5. Healthsource Maine, Inc. is a Maine corporation authorized to do business in the State of Maine as a health maintenance organization pursuant to 24-A M.R.S.A. § 4203.
6. Healthsource Preferred and EBPA, on behalf of themselves and other Healthsource companies, have entered into contracts with the Automotive Wholesalers Association of New England (AWANE) Group Insurance Trust Fund to administer group health coverage provided by the AWANE Group Insurance Trust Fund to employers that are members of AWANE.
7. The Superintendent has filed a Petition for Disciplinary Action alleging that the AWANE Group Insurance Trust Fund is acting as an unauthorized insurer in violation of 24-A M.R.S.A. §§ 404 and 2186(1)(A)(6). The Healthsource companies were named as additional Respondents.
8. The AWANE Group Insurance Trust Fund formerly published promotional materials and plan description documents referring to plan benefits as "paid by" Healthsource, although Healthsource companies in fact provided only administrative services and the benefits themselves were provided by the AWANE Group Insurance Trust Fund. When advised of these materials by Bureau of Insurance Staff in 1996, Healthsource promptly took corrective action at

its own initiative and instructed AWANE to use revised materials reflecting Healthsource's role as administrative contact without listing Healthsource as the payor.

Covenants

9. A formal hearing in this matter is waived and no appeal will be taken. This Consent Agreement is an enforceable final agency action of the Superintendent of Insurance within the meaning of the Maine Administrative Procedure Act..
10. Nothing in this Agreement shall be interpreted as a finding of liability by the Superintendent, or an admission of liability by any Healthsource company, for any violation of the Maine Insurance Code.
11. The Healthsource companies warrant that none of them were involved in the collection or custody of AWANE Group Insurance Trust Fund premium funds or the preparation, publication, or distribution of AWANE Group Insurance Trust Fund premium rating information.
12. The Healthsource companies agree that neither they nor any affiliate of theirs will provide services, without the express approval of the Superintendent, to any risk-bearing entity providing health benefits in the State of Maine unless that entity is properly licensed by the Superintendent or a regulator with competent jurisdiction has issued a written determination that the plan is exempt under Maine law or federal law from licensure by the Superintendent.
13. The Healthsource companies agree that when they or any affiliate of theirs provide administrative services to a plan not insured by a Healthsource affiliate, they will exercise due care not to issue or permit the issuance of communication stating or suggesting to plan participants that the plan is insured by a Healthsource affiliate. In particular, all correspondence and other documents using the Healthsource name will include conspicuous and understandable disclaimer language explaining that *[name of administrator]* is acting as plan administrator on behalf of *[name of carrier or plan sponsor]* and that Healthsource is not the plan's insurer.
14. In consideration of the Healthsource companies' execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to withdraw the Petition for Disciplinary Action as it pertains to the Healthsource companies, and to forgo pursuing any disciplinary measures or other civil sanction for the actions described in the Petition.
15. It is understood by the parties to this Agreement that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.
16. The Healthsource companies understand and acknowledge that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, and will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408.
17. The Healthsource companies have been advised of its right to consult with counsel, and have consulted with counsel before executing this Agreement.

18. This Consent Agreement may only be modified by the written consent of the parties.

FOR THE HEALTHSOURCE COMPANIES

Dated:

(signature)

(printed name and title)

Personally appeared before me this day _____, and signed this Consent Agreement in my presence.

Notary Public

FOR THE MAINE ATTORNEY GENERAL

Dated:

Judith Shaw Chamberlain, AAG

BY THE SUPERINTENDENT OF INSURANCE

Dated:

Alessandro A. Iuppa, Superintendent