

**BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA**

RECEIVED
INSURANCE DEPARTMENT
04 DEC 22 AM 11:02
ADMINISTRATIVE SERVICES

IN RE:

VISION BENEFITS OF AMERICA
300 Weyman Plaza, Suite 400
Pittsburgh, PA 15236

Respondent

: VIOLATIONS:

:
: Section 6331 of the Health Plan Corporations
: Act, Article A, Part III, Special Provisions
: Relating to Particular Classes of Insurers,
: 40 Pa.C.S. §6331.
:
: Section 320 of the Insurance Companies Act,
: Act of May 17, 1921, P.L. 682, art. III, 40
: P.S. §§443(a)(1) and (2).
:
: Chapter 147 of Title 31 of the Pennsylvania
: Code, 31 Pa.Code §§147.1-15.
:
: Docket No. CO04-11-008

CONSENT ORDER

AND NOW, this 23rd day of December, 2004, this Order is hereby
issued by the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania
pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that it has received proper
notice of its rights to a formal administrative hearing pursuant to the Administrative
Agency Law, 2 Pa.S. §101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

FINDINGS OF FACT

3. The Deputy Insurance Commissioner finds true and correct each of the following Findings of Fact:

- (a) Respondent is Vision Benefits of America and maintains its business address at 300 Weyman Plaza, Suite 400, Pittsburgh, Pennsylvania 15236.
- (b) Respondent, at all relevant times herein, is a nonprofit corporation and possesses a Certificate of Authority which authorizes the Respondent to establish, maintain, and operate a nonprofit professional health services plan.
- (c) On December 1, 2002, the Insurance Commissioner issued instructions for the 2002 Annual Statement Filing by entities licensed to sell health care related products in Pennsylvania.

(d) On December 1, 2003, the Insurance Commissioner issued instructions for the 2003 Annual Statement Filing by entities licensed to sell health care related products in Pennsylvania.

(e) For the Annual Statements as of December 31, 2002 and December 31, 2003, Respondent did not properly complete the following required statements of financial condition:

- 1) Annual Statement as of 12/31/2002 (filing incomplete), and
- 2) Annual Statement as of 12/31/2003 (filing incomplete).

(f) Between March 1, 2003 and March 1, 2004, Respondent did not timely file the following required statements of financial condition:

- 1) Actuarial Certificate as of 12/31/02 (due date 3/1/03; received 6/20/03);
- 2) Audited Financial Statement as of 12/31/03 (due date 6/1/04; received 7/13/04);
- 3) Actuarial Certificate as of 12/31/03 (due date 3/1/04; received 8/31/04).

CONCLUSIONS OF LAW

4. In accordance with the above Findings of Fact and applicable provisions of law, the Deputy Insurance Commissioner makes the following Conclusions of Law:

(a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.

- (b) Section 6331 of the Health Plan Corporations Act, 40 Pa.C.S. §6331, requires every professional health service corporation, on or before March 1st of each year, to file with the Department a statement, verified by at least two of the principal officers, summarizing its financial activities during the preceding calendar year, and showing its financial condition at the end of that year, in a form and containing such information as the Department may prescribe.
- (c) Respondent's activities described above in Findings of Fact 3(c) through 3(f) violate Section 6331 of the Health Plan Corporations Act.
- (d) Section 320(a)(1) of the Insurance Company Law, 40 P.S. §443(a)(1), requires every insurance company, association or exchange to annually, on or before the first day of March, file with the Department and the National Association of Insurance Commissioners a statement which exhibits its financial condition on the 31st day of December of the previous year, and its business of that year and shall, within 30 days after requested, file with the Department and the National Association of Insurance Commissioners such additional statement or statements concerning its affairs and financial condition as the Commissioner may require.
- (e) Respondent's activities described above in Findings of Fact 3(c) through 3(f) violate Section 320(a)(1) of the Insurance Company Law, 40 P.S. §443(a)(1).

- (f) Chapter 147 of Title 31 of the Pennsylvania Code requires an annual audit by an independent certified public accountant of each insurer's financial statement of financial condition. (31 Pa.Code §§147.1-147.15).
- (g) Respondent's activity described in Finding of Facts (f) violates Chapter 147 of Title 31 of the Pennsylvania Code. (31 Pa.Code §§147.1-147.15).
- (h) Section 320(a)(2) of the Insurance Company Law, 40 P.S. §443(a)(2), requires each insurance company, association or exchange to adhere to the annual or quarterly statement instructions and the accounting practices and procedures manuals prescribed by the National Association of Insurance Commissioners.
- (i) The Insurance Commissioner's issuance of annual statement filing instructions in 2002 and 2003 were proper and in accordance with law under Section 320(a)(2) of the Insurance Company Law, 40 P.S. §442(a)(2), and under Section 6331 of the Health Plan Corporations Act..
- (j) Respondent's activities described above in Findings of Fact 3(e) and (f) violate Section 320(a)(2) of the Insurance Company Law, 40 P.S. §443(a)(2).
- (k) Respondent's violations of Section 320(a)(1) and (2) of the Insurance Company Law are punishable under Section 320(e)(1) and (3) as follows:

(1) Any company, association or exchange which neglects to make and file its annual statement, or other statements that may be required, in the form or within the time herein provided shall forfeit a sum not to exceed \$200 for each day during which such neglect continues, and upon notice by the Commissioner, its authority to do new business shall cease while such default continues.

(2) The Insurance Commissioner may suspend, revoke or refuse to renew the certificate of authority of any insurer failing to file its annual statement when due.

ORDER

5. In accordance with the above Findings of Fact and Conclusions of Law, the Deputy Insurance Commissioner orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) Respondent shall pay a civil penalty of Four Thousand Dollars (\$4,000.00) to the Commonwealth of Pennsylvania. Payment of this penalty shall be made payable to the Commonwealth of Pennsylvania, and directed to Sharon L. Harbert, Administrative Assistant, Bureau of Enforcement, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment may be enclosed with the Consent

Order, but must be paid in any event no later than thirty (30) days after the date of the Consent Order.

6. In the event the Deputy Insurance Commissioner finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: 1) the Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law; or, 2) if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Deputy Commissioner finds that there has been a breach of any of the provisions of this Order, the Deputy Commissioner may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

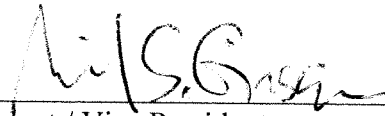
8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

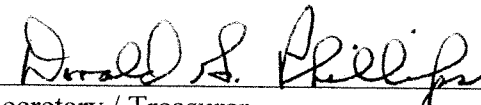
10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Deputy Insurance Commissioner. Only the Insurance Commissioner or the duly authorized Deputy Insurance Commissioner is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or the duly authorized Deputy Insurance Commissioner.

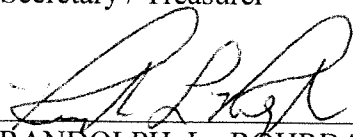
BY: VISION BENEFITS OF AMERICA,
Respondent



President / Vice President



Secretary / Treasurer



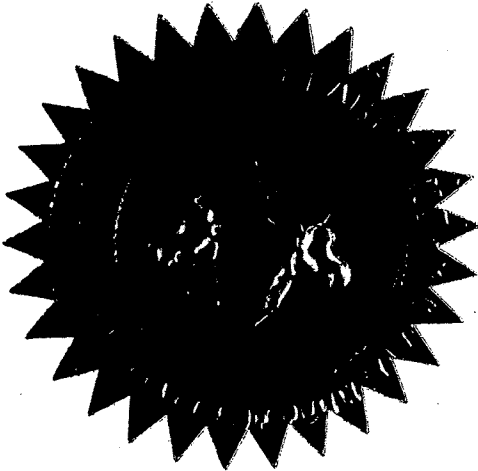
RANDOLPH L. ROHRBAUGH
Deputy Insurance Commissioner
Commonwealth of Pennsylvania

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, known as The
Administrative Code of 1929

AND NOW, this 29 day of April, 2002, Randolph L.

Rohrbaugh, Deputy Insurance Commissioner, is hereby designated as the
Commissioner's duly authorized representative for purposes of entering in and executing
Consent Orders. This delegation of authority shall continue in effect until otherwise
terminated by a later Order of the Insurance Commissioner.



M. Diane Koken
M. Diane Koken
Insurance Commissioner