

IN RE YORK CLAIMS SERVICE

DOCKET NO. INS-02-780

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CONSENT AGREEMENT

York Claims Service, Inc., the Maine Superintendent of Insurance, and the Maine Department of the Attorney General hereby enter into this Consent Agreement, pursuant to 10 M.R.S.A. § 8003(5)(B), to resolve without an adjudicatory proceeding issues arising out of York Claims Service's conduct under a license issued by the Superintendent.

Stipulations

1. The Superintendent is the official charged with administering and enforcing the insurance laws of the State of Maine.
2. York Claims Service has its principal place of business in the State of New York and is licensed by the Superintendent as a nonresident third-party administrator.
3. Pursuant to 24-A M.R.S.A. § 1906(4), each third-party administrator must file with the Superintendent, at the time of each license renewal, a report of the total number of Maine claims paid for each plan sponsor and the total dollar amount of Maine claims paid for each plan sponsor in the preceding calendar year, beginning with the first license renewal on or after June 28, 2001.
4. The Maine Health Data Organization (MHDO) is an independent executive agency of the State of Maine, established pursuant to 22 M.R.S.A. § 8703 to create and maintain a health information database to improve the health of Maine citizens, including data from health care payors. The MHDO has been designated by the Superintendent as the statistical agent for the collection of annual claims data reports.
5. On January 10, 2002, the MHDO sent notice on behalf of the Superintendent to all entities required to file claims data reports, explaining the reporting requirements.
6. Followup notice was sent on March 11 to all entities, including York Claims Service, that had not yet filed the required report. On April 29, the Executive Director of the MHDO sent York Claims Service, along with other noncompliant entities, an additional notice by certified mail, designated "**FINAL NOTICE**," recapitulating the reporting requirement, enclosing a copy of the reporting form and advising that the form was also available on the Bureau of Insurance website, and warning that failure to file with the MHDO or Bureau of Insurance within 14 days could result in a referral for enforcement action.
7. On July 18, 2002, Bureau of Insurance legal staff sent notice, on behalf of the Superintendent, that York Claims Service's failure to submit timely claims data reports and its failures to respond to the followup inquiries by the Superintendent violated 24-A M.R.S.A. §§ 220(2) and 1906(4).

8. York Claims Service is a workers' compensation administrator and has never handled any health claims in the State of Maine. However, the reporting form includes procedures for simplified reporting by entities with no claims activity, and York Claims Service did not report its lack of claims activity until after receiving notice from the Bureau of Insurance that its report was overdue and that a late reporting penalty would be assessed.

9. York Claims Service is unable to verify receipt of the earlier notices. York Claims Service represents that there are significant mail delivery problems in the building where its office of record is located, which result in York Claims Service returning several undelivered pieces of mail per day to the U.S. Postal Service.

Covenants

York Claims Service, the Superintendent, and the Department of the Attorney General agree to the following:

10. This Consent Agreement is entered into in accordance with 10 M.R.S.A. § 8003(5)(B) and is not subject to review or appeal. This Consent Agreement is enforceable by an action in the Superior Court.

11. York Claims Service agrees to provide an accurate and timely summary calendar year claims report with each subsequent license renewal, in compliance with 24 A M.R.S.A. § 1906(4).

12. York Claims Service agrees to the imposition of a late reporting penalty of \$500, pursuant to 24 A M.R.S.A. § 12-A, and shall submit a check in that amount, payable to the Treasurer of the State of Maine, at the time of the execution of this Agreement.

13. In consideration of York Claims Service's execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil or administrative sanction for the actions described in the Stipulations, other than those agreed to in this Consent Agreement. However, should the Superintendent find probable cause that York Claims Service has violated this Consent Agreement, the Superintendent reserves the right to pursue any available legal remedy, including without limitation the suspension or revocation of all licenses issued to York Claims Service by the Superintendent, and York Claims Service reserves the right to assert any available defenses.

14. The parties to this Agreement understand that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.

15. York Claims Service understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and will be reported to the National Association of Insurance Commissioners' "RIRS" database.

16. York Claims Service has been advised of its right to consult with counsel, and has consulted with counsel before executing this Agreement.

17. This Consent Agreement may be modified only by a written agreement executed by all of the parties.

FOR YORK CLAIMS SERVICE, INC.

Dated:

(signature)

(printed name and title)

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

Notary Public

FOR THE DEPARTMENT OF THE ATTORNEY GENERAL

Dated:

Paul Gauvreau, AAG

BY THE SUPERINTENDENT OF INSURANCE

Dated:

Alessandro A. Iuppa, Superintendent