

**In Re: Medical Benefits Administrators
Of Maryland, Inc.**

Docket No. INS 04-701

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) **CONSENT AGREEMENT**
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This document is a Consent Agreement, authorized by 10 M.R.S.A. § 8003(5)(B), entered into by and among Medical Benefits Administrators of Maryland, Inc. (hereafter “Medical Benefits Administrators”), the Maine Superintendent of Insurance, and the Maine Office of the Attorney General. Its purpose is to resolve, without resort to an adjudicatory proceeding, the dispute with respect to whether Medical Benefits Administrators failed to obtain an administrator license as required by 24-A M.R.S.A. § 1902.

FACTS

1. The Superintendent is the official charged with administering and enforcing the insurance laws of the State of Maine.

2. Title 24-A M.R.S.A. § 1902 prohibits a person from acting as or professing to be an Administrator in the State of Maine without obtaining a license. “Administrator” is defined at section 1901(1) to mean:

Any person who, on behalf of a plan sponsor, health care service plan, health maintenance organization or insurer, receives or collects charges, contributions or premiums for, or adjusts or settles claims on residents of this State in connection with any type of life, annuity, health, workers’ compensation or employee benefit excess insurance benefit provided in or as an alternative to insurance as defined by sections 702 to 704. . . (Statutory exemptions omitted.)

3. Medical Benefits Administrators maintains offices at 3103 Emmorton Road, Abingdon, MD 21004.

4. Medical Benefits Administrators has been administering health plans for GSA Employers Welfare Trust Fund (the “GSA Plan”) for approximately 4 years and for a trust established by the Society of Evangelical Churches (the “Society Plan”).

5. Medical Benefits Administrators has advised the Bureau that as of September 17, 2004 there are no more than 33 Maine residents enrolled in the GSA Plan and that there are no Maine residents enrolled in the Society Plan.

6. On September 17, 2004, Medical Benefits Administrators submitted for the Bureau’s review an application for a license from the Superintendent to conduct business as an Administrator in this State under 24-A M.R.S.A. § 1902. As of September 22, 2004 that application was not complete.

7. Medical Benefits Administrators performed Administrator services in this State for the GSA Plan without being licensed under 24-A M.R.S.A. § 1902.

8. The Superintendent has asserted that Medical Benefits Administrators is in violation of 24-A M.R.S.A. §1902, and Medical Benefits Administrators has agreed to enter into this Consent Agreement for the purpose of resolving the matter without contesting the claimed violation or admitting that any violation has occurred.

COVENANTS

9. Upon execution of this Consent Agreement, Medical Benefits Administrators shall pay the Treasurer of the State of Maine Seven Thousand Five Hundred dollars (\$7,500).

10. As a prerequisite to being licensed in this State as an Administrator, and without limitation, Medical Benefits Administrators shall comply with the requirements of 24-A M.R.S.A. §§ 1903 and 1904. As a part of licensure, Medical Benefits Administrators shall provide a bond in the amount of Fifty Thousand dollars (\$50,000) in favor of the Treasurer of the State for the benefit of covered persons, as required by section 1904. Further as part of the application process, Medical Benefits Administrators shall respond in writing within seven (7) days to all requests for information from the Superintendent made pursuant to 24-A M.R.S.A. § 1905(1).

11. On or before October 4, 2004, Medical Benefits Administrators shall cause 90-day termination notices to be mailed to all remaining Maine GSA Plan enrollees. Except as otherwise provided in paragraph 14 below, Medical Benefits Administrators shall no longer administer the GSA Plan with respect to Maine residents or administer any plan in which Maine residents may enroll unless: (a) Medical Benefits Administrators has obtained an Administrator license from the Superintendent, and (b) Medical Benefit Administrators has notified the Superintendent of the name of the plan and the plan sponsor and has responded to all inquiries from the Superintendent within seven (7) days after receipt thereof.

12. On or before October 15, 2004, Medical Benefits Administrators shall provide the Superintendent with a complete accounting of all claims received from and paid on behalf of Maine residents participating in the GSA Plan during the period from April 1, 2004 to September 1, 2004. Medical Benefits Administrators has advised the Superintendent that no Maine residents have participated in the Society Plan. The accounting shall include the identification of the payor on the claims.

13. On or before November 15, 2004, and every 30 days thereafter for a period of 6 months, Medical Benefits Administrators or its designee shall provide the Superintendent with a complete summary of the claims that have been submitted; the claims that have been paid; and the claims that have been denied, in whole or in part, during the previous 30 days on behalf of Maine residents participating in the GSA Plan, including identification of the payor on the claims.

14. The Superintendent authorizes Medical Benefits Administrators to administer the GSA Plan solely for purposes of servicing claims of the remaining GSA Plan enrollees in this State limited to the period necessary for adjudicating and settling claims in run-off after termination as provided above, unless and until otherwise ordered by the Superintendent.

15. Medical Benefits Administrators shall not act as an Administrator for the Society Plan with respect to any Maine residents enrolled therein, or encourage or facilitate Maine residents to enroll in the Society Plan, without first conferring with the Bureau regarding compliance with State law and responding to all requests from the Superintendent in order to determine the applicability of Maine's insurance laws.

16. A formal hearing in this matter is waived and no administrative appeal will be made. This Consent Agreement is not subject to judicial review or appeal and may be modified only by a writing executed by all undersigned signatories hereto. This Consent Agreement is enforceable by an action in Maine Superior Court.

17. Medical Benefits Administrators acknowledges that this Consent Agreement is 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 NAIC RIRS database.

18. It is understood by the parties to this Consent Agreement that nothing herein shall affect any rights or interests of any person not an undersigned signatory hereto. In particular, this Consent Agreement does not affect the rights of any consumer not a party to this agreement.

19. Medical Benefits Administrators has been advised of its right to consult with counsel and has, in fact, consulted with counsel before executing this Consent Agreement.

20. Nothing herein shall prohibit the Superintendent or Attorney General from seeking an order to enforce this Consent Agreement, or from seeking additional sanctions in the event that Medical Benefits Administrators does not comply with the above terms, or from taking further legal action in the event that the Superintendent or Attorney General receives additional evidence not previously a part of its investigation into Medical Benefits Administrators' activities prior to the date hereof.

UNDERSIGNED SIGNATORIES

**FOR MEDICAL BENEFITS
ADMINISTRATORS OF MARYLAND, INC.**

Dated: September ____, 2004

By: _____
Its: _____
Printed Name and Title

Subscribed and sworn to before me the above-named _____ on behalf of Medical Benefits Administrators of Maryland, Inc. this _____ day of September, 2004.

Notary Public

Printed name

Date of commission expiration

**FOR THE OFFICE
OF THE ATTORNEY GENERAL**

Dated: September ____, 2004

Thomas C. Sturtevant, Jr.,
Assistant Attorney General

FOR THE MAINE BUREAU OF INSURANCE

Alessandro A. Iuppa
Superintendent of Insurance

Effective Date: September ____, 2004