

BEFORE THE DIVISION OF INSURANCE  
DEPARTMENT OF LABOR AND REGULATION  
STATE OF SOUTH DAKOTA

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IN THE MATTER OF	)	
ZOOM HEALTH INSURANCE	)	CONSENT ORDER
	)	

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In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

ZOOM HEALTH INSURANCE (ZOOM), whose address of record is 1 City Blvd West, STE 1700, Orange, CA 92868, holds business entity license in the State of South Dakota;

ZOOM is aware that the South Dakota Division of Insurance (Division) has conducted an investigation of its insurance-related activities in South Dakota;

The Division has alleged the following:

- 1) ZOOM submitted 126 false applications within the last year in violation of SDCL § 58-33-37;
- 2) ZOOM had unlicensed agents sell, solicit, or negotiate in the state of South Dakota in violation of SDCL § 58-30-143;
- 3) The above-cited conduct may be grounds for the revocation or suspension of ZOOM's business entity license pursuant to SDCL § 58-30-167(2);

ZOOM is aware of and understands the nature of the charges and has been informed that it has the right to notice, hearing, counsel and appeal, and that by agreeing to and signing this Consent Order waives these rights;

By the execution of this Consent Order and the payment of a penalty pursuant to this Consent Order, ZOOM neither admits to nor denies any violation of the laws of the State of South Dakota, but waives its right to contest the allegations contained in this Consent Order;

In return for ZOOM agreeing to the provisions of this Consent Order, the Division agrees not to proceed to hearing and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL § 1-26-20;

By execution of this Consent Order and the voluntary surrender of its business entity license in the State of South Dakota, ZOOM waives its right to content the allegations contained in this Consent Order and in any future actions or licensing procedures with the Division;

ZOOM agrees to voluntarily surrender its business entity license, agrees that it will not apply for a business entity license in the State of South Dakota until after the expiration of one year from the effective date of this Consent Order, and further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota;

ZOOM agrees to a monetary penalty in the amount of \$1,500 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally;

ZOOM agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that ZOOM pay a monetary penalty in the amount of \$1,500 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

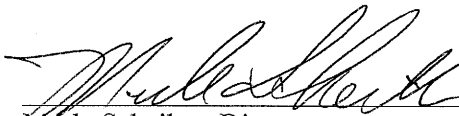
ORDERED that the voluntary surrender of ZOOM's business entity license in the State of South Dakota is effective from the date the Director signs this Consent Order and that ZOOM will refrain from applying for a business entity license in the State of South Dakota until after expiration of a year from the effective date of this Consent Order; and it is further

ORDERED that ZOOM abide by the agreements made by itself in this Consent Order; and it is

ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further

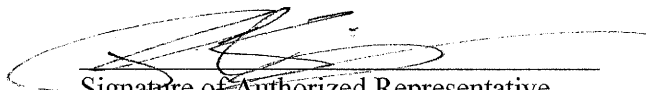
ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 19<sup>th</sup> day of August, 2013.

  
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Merle Scheiber, Director  
South Dakota Division of Insurance

The undersigned, on behalf of ZOOM, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enter into this Consent Order.

Dated this 13<sup>th</sup> day of August, 2013.

  
\_\_\_\_\_  
Signature of Authorized Representative  
Paul Simpson  
\_\_\_\_\_  
Printed Name  
CEO  
\_\_\_\_\_  
Title