

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

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IN THE MATTER OF IHC  
HEALTH SOLUTIONS, INC.

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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:

IHC HEALTH SOLUTIONS, INC., whose address is 2101 W. Peoria Ave., Ste. 100, Phoenix, AZ 85029, is an applicant for a Third-Party Administrator ("TPA") Registration in the State of South Dakota;

IHC HEALTH SOLUTIONS, INC. 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) IHC HEALTH SOLUTIONS, INC. was previously registered as a TPA in South Dakota;
- 2) IHC HEALTH SOLUTIONS, INC. has been the subject of two administrative actions by the Division:
  - a. 2011 Consent Order with a monetary penalty for failing to report an administrative action in 2011; and
  - b. 2012 Consent Order for the revocation of the registration held by IHC HEALTH SOLUTIONS, INC. in South Dakota;
- 3) Despite the revocation in 2012 of its registration, IHC HEALTH SOLUTIONS, INC. has continued operating in the State of South Dakota as a TPA in violation of SDCL § 58-29D-21;
- 4) IHC HEALTH SOLUTIONS, INC., after being contacted in a related investigation, filed an application for a TPA Registration on October 30, 2013, with amendments that followed;
- 5) The above-cited conduct may be grounds for the denial of IHC HEALTH SOLUTIONS, INC.'s application, the issuance of an Order to Cease and Desist, or other legal action by the Division pursuant to SDCL §§ 58-29D-21 and 58-29D-31(4) and (8);

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

In return for IHC HEALTH SOLUTIONS, INC. 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;

IHC HEALTH SOLUTIONS, INC. agrees to a monetary penalty in the amount of \$10,000 pursuant to SDCL §§ 58-4-28.1 and 58-29D-33, in lieu of contesting this matter formally; and

IHC HEALTH SOLUTIONS, INC. further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota; and

IHC HEALTH SOLUTIONS, INC. further 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 IHC HEALTH SOLUTIONS, INC. pay a monetary penalty in the amount of \$10,000 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 October 20, 2013 TPA Registration application of IHC HEALTH SOLUTIONS, INC., as amended to date, is hereby APPROVED and the TPA Registration issued as of the effective date of this Consent Order; and it is further

ORDERED that should IHC HEALTH SOLUTIONS, INC. fail to comply with the provisions of this Order, the Division may seek the revocation of IHC HEALTH SOLUTIONS, INC.'s TPA Registration as issued herein pursuant to SDCL Ch. 58-29D, or seek other remedies; and it is further

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

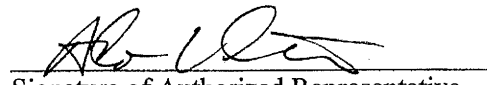
ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 6<sup>th</sup> day of January, 2014.

  
Merle Scheiber, Director  
South Dakota Division of Insurance

The undersigned, on behalf of IHC HEALTH SOLUTIONS, INC., represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enters into this Consent Order.

Dated this 27<sup>th</sup> day of December, 2013.

  
Signature of Authorized Representative  
Secretary  
Printed Name  
Alan Vanderwaal  
Title