

OCT 30 1997

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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BY CB

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In the Matter of:)	Docket No. 97A-186
)	
INTERGROUP PREPAID HEALTH)	CONSENT ORDER
SERVICES OF ARIZONA, INC.)	
)	
Respondent.)	
)	
)	

The Director of Insurance of the State of Arizona (Director) has received evidence that Intergroup has used advertising material in the State of Arizona without first seeking approval from the Director.

In order to resolve this matter, without the commencement of formal proceedings, Respondent hereby admits that the following Findings of Fact are true and consents to the entry of the following Conclusions of Law and to the Order.

FINDINGS OF FACT

1. The Director is charged with the enforcement of Title 20, Arizona Revised Statutes, relating to insurance.

2. Intergroup Prepaid Health Services of Arizona, Inc. (Intergroup) is authorized as a Health Care Services Organization under a Certificate of Authority issued by the Director in the State of Arizona pursuant to A.R.S. § 20-1054.

3. Intergroup entered into a Consent Order Docket 6642 with the Department of Insurance on May 11, 1988 and Consent Order Docket 8431 on May 10, 1994 in which Intergroup agreed to cease and desist from failing to file advertising material for approval prior to use.

1 4. Intergroup advertisements identified as NCQAad01 appeared
2 in the August 31, 1997, September 1, 1997 and the September 7,
3 1997 editions of the Arizona Republic, the Tucson Citizen and the
4 Arizona Daily Star.

5 5. Intergroup failed to file the ads appearing in the
6 August 31, September 1 and September 7 editions of the Arizona
7 Republic, the Tucson Citizen and the Arizona Daily Star.

8 6. The ads appearing in the August 31, September 1 and
9 September 7 editions of the Arizona Republic, the Tucson Citizen
10 and the Arizona Daily Star were not approved by the Director
11 prior to their use in Arizona.

12 7. On September 17, 1997 intergroup filed advertisements
13 NCQAad01TUC.8/31/97; NCQAad01PHX.8/31/97; NCQAad01TUC.9/7/97;
14 NCQAad01PHX.9/7/97; NCQAad01TUC.10/97 and NCQAad01PHX.10/97 with
15 the Director for his approval or disapproval pursuant to A.R.S. §
16 20-1057.

17 CONCLUSIONS OF LAW

18 1. The Director has jurisdiction over this matter.

19 2. By failing to file advertising material for approval by
20 the Director prior to use, Intergroup violated A.R.S. § 20-1057(D)
21 and (G).

22 ORDER

23 IT IS HEREBY ORDERED THAT:

24 1. Intergroup shall cease and desist from disseminating
25 advertising matter in Arizona which has not been filed with, and
26 approved by, the Director.

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2. Intergroup shall pay a civil penalty of \$5,000 to the Director of Insurance, within 20 days from the date of the entry of this Order, for remission to the State Treasurer for deposit in the State General Fund.

3. Advertisements NCQAad01TUC.8/31/97; NCQAad01PHX.8/31/97; NCQAad01TUC.9/7/97; NCQAad01PHX.9/7/97; NCQAad01TUC.10/97 and NCQAad01PHX.10/97, filed on September 17, 1997, are approved upon entry of the Order.

DATED this 30 day of October, 1997.


John A. Greene
Director of Insurance

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CONSENT TO ORDER

1. Respondent, Intergroup Prepaid Health Services of Arizona, Inc. has reviewed the foregoing Order.

2. Respondent is aware of its right to a hearing at which hearing Respondent may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such public hearing and to any court appeals relating thereto.

3. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and to the Order.

4. Respondent states that no promise of any kind or nature whatsoever was made to induce it to enter into this Order and that it has entered into this Order voluntarily.

5. Respondent acknowledges that the acceptance of this Order by the Director of Insurance, State of Arizona, is solely for the purpose of settling this litigation against it and does not preclude any other agency or officer of this state or subdivision thereof from instituting other civil or criminal proceedings as may be appropriate now or in the future.

6. _____ Edward J. Munno Jr. _____ represents that as _____ President & C.O.O. _____ he/she is an officer of Intergroup and that, as such, he/she has been authorized by it to enter into this Order for and on its behalf.

INTERGROUP PREPAID HEALTH SERVICES OF ARIZONA, INC.

10.24-87
(date)

By 

1 COPY of the foregoing mailed/delivered
2 this 30th day of October , 1997, to:

- 3 Charles R. Cohen
Deputy Director
4 Gregory Y. Harris
Executive Assistant Director
5 Erin Klug
Chief Market Conduct Examiner
Market Conduct Examinations Division
6 Paul J. Hogan
Examinations Supervisor
7 Market Conduct Examinations Division
8 Mary Butterfield
Assistant Director
Life and Health Division
9 Deloris E. Williamson
Assistant Director
10 Rates & Regulations Division
11 Gary Torticill
Assistant Director and Chief Financial Examiner
Corporate & Financial Affairs Division
12 Cathy O'Neil
Assistant Director
13 Consumer Services and Investigations

14 DEPARTMENT OF INSURANCE
2910 North 44th Street, Suite 210
15 Phoenix, AZ 85018

16 Mr. Ed Munno, President
17 INTERGROUP PREPAID HEALTH SERVICES OF ARIZONA, INC.
2800 North 44th Street, Suite 900
18 Phoenix, AZ 85008-1502

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20 Cusvey Butler
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