OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date:  AUG 12 2015

Subject Considered:

SAFEHEALTH LIFE INSURANCE COMPANY
5 Park Plaza Suite 1850
Irvine, CA 92614-2533

CONSENT ORDER
TDI ENFORCEMENT FILE NOS. 8670 AND 9672

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against SafeHealth Life Insurance Company.

WAIVER

SafeHealth acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. SafeHealth waives all of these rights and any other applicable procedural rights in consideration of the entry of this consent order.

FINDINGS OF FACT

1. On April 14, 1975, TDI issued SafeHealth life license no. 80970.

2. SafeHealth filed its 2013 annual network adequacy report on February 13, 2015, nearly one year late.

3. When SafeHealth filed its 2013 and 2014 network adequacy reports, the reports did not include the number of claims for out-of-network benefits, excluding claims paid at the preferred benefit coinsurance level.

4. On June 8, 2015, SafeHealth filed its prompt payment data back to the first quarter of 2010.

5. On July 13, 2015, SafeHealth updated its 2013 network adequacy report, and on July 15, 2014, SafeHealth updated its 2014 network adequacy report to include the number of
claims for out-of-network benefits, excluding claims paid at the preferred benefit coinsurance level.

CONCLUSIONS OF LAW


2. The commissioner has authority to informally dispose of this matter under TEX. GOV’T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.

3. SafeHealth violated 28 TEX. ADMIN. CODE § 3.3709 because it failed to file its 2013 network adequacy report with TDI on or before April 1.

4. SafeHealth violated 28 TEX. ADMIN. CODE § 3.3709(c)(1) because it failed to report claims for out-of-network benefits, excluding claims paid at the preferred benefit coinsurance level, in its 2013 and 2014 network adequacy reports.

5. SafeHealth violated 28 TEX. ADMIN. CODE § 21.2821 by failing to file its quarterly prompt payment reports for vision claims for five years.

The commissioner orders SafeHealth Life Insurance Company to pay an administrative penalty of $25,000 within 30 days of the date of this Order. The administrative penalty must be paid by company check, cashier’s check, or money order made payable to the “State of Texas.” Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.

[Signature]
David C. Mattax
Commissioner of Insurance

Approved as to Form and Content:

[Signature]
Jeannie Ricketts, Staff Attorney
Enforcement Section, Compliance Division
Texas Department of Insurance
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AFFIDAVIT

STATE OF New Jersey 
COUNTY OF Somerset

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

“My name is Alan Hrenchberg. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of President, and am the authorized representative of SafeHealth Life Insurance Company. I am duly authorized by said organization to execute this statement.

SafeHealth Life Insurance Company waives rights provided by the Texas Insurance Code and other applicable laws, and acknowledges the jurisdiction of the Texas commissioner of insurance.

SafeHealth Life Insurance Company is voluntarily entering into this consent order. SafeHealth Life Insurance Company consents to the issuance and service of this consent order.”

Affiant

SWORN TO AND SUBSCRIBED before me on July 29, 2015.

(NOTARY SEAL)

Signature of Notary Public

DEBORAH A. BUONO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 2/23/2020