

**STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER**

*In the Matter of*

**ASURIS NORTHWEST HEALTH  
and  
REGENCE BLUESHIELD,**

Registered Health Care  
Service Contractors.

Order No. 16-0214

WAOIC Nos. 1418, 710

NAIC Nos. 47350, 53902

**CONSENT ORDER LEVYING  
A FINE**

This Consent Order Levying a Fine (“Order”) is entered into by the Insurance Commissioner of the state of Washington (“Insurance Commissioner”), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.44.160 and RCW 48.44.166.

**BASIS:**

1. Regence BlueShield and Asuris Northwest Health are domestic companies holding Washington certificates of registration as health care service contractors. Regence BlueShield acquired Asuris Northwest Health in 1994 and both operate under the common control of The Regence Group (now called Cambia Health Solutions, Inc.), an Oregon non-profit public benefit corporation, which is the parent and holding company. Regence BlueShield and Asuris Northwest Health are duly authorized to engage in the business of insurance in the state of Washington.

2. The Office of the Insurance Commissioner’s Market Conduct Examination of Regence BlueShield and Asuris Northwest Health (together referred to as the “Companies”) reviewed a period from January 1, 2010 to June 30, 2011. Records and operations were reviewed to determine if the Companies do business in accordance with Washington requirements.

3. The examination report with the findings, instructions and recommendations were transmitted to the Companies for comment on August 16, 2013. The Insurance Commissioner's final order entitled Findings, Conclusions and Order Adopting Report of Market Conduct Examination was released on October 11, 2013.

4. The Companies notified the Insurance Commissioner that it has taken steps to correct the violations that were found in the Market Conduct Examination.

5. To assure the Insurance Commissioner that the changes had been implemented to correct these violations, the Companies conducted an intensive audit of its business operations with the Insurance Commissioner's close supervision over a period of several months.

6. The results of that audit revealed that the Companies have corrected all issues and violations identified in the Market Conduct Examination order issued on October 11, 2013, except one remaining issue related to Coordination of Benefits ("COB") savings, which is presently being addressed by the Companies.

7. The Companies will submit a report of the results of the COB audit once changes have been fully implemented and the Insurance Commissioner will review the changes implemented and results of these corrections in the future.

**CONSENT TO ORDER:**

The Insurance Commissioner of the state of Washington and the Companies agree that the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Companies consent to the following in consideration of their desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Companies payment of a fine and upon such terms and conditions as are set forth below:

1. The Companies acknowledges their duty to comply fully with the applicable laws of the state of Washington.

2. The Companies consent to the entry of this Order, waive any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.

3. By agreement of the parties, the Insurance Commissioner will impose a fine of \$750,000 (seven hundred and fifty thousand dollars) and on the Companies agreement that:

- a. The Companies pay \$750,000 (seven hundred and fifty thousand dollars) by **September 22, 2016**; and
- b. The Companies commits no further violations of the insurance statutes and/or regulations for a period of four years from the date this Order is entered;
- c. The Companies submit a report of the results of the COB audit and resulting corrections **within six (6) months** of the date of the entry of the Order.

4. The Companies understand and agree that any further failure to comply with the insurance statutes and/or regulations constitutes grounds for further penalties, which may be imposed in direct response to further violations.

5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Companies. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 2016.

**ASURIS NORTHWEST HEALTH and  
REGENCE BLUESHIELD**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Corporate Title: \_\_\_\_\_

**AGREED ORDER:**

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

1. The Companies shall pay a fine in the amount of \$750,000 by **September 22, 2016**.

2. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Companies. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED at Tumwater, Washington, this \_\_\_\_\_ day of \_\_\_\_\_ 2016.



MIKE KREIDLER  
Insurance Commissioner

By and through his designee

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Mandy A. Weeks  
Insurance Enforcement Specialist  
Legal Affairs Division