MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G06-57
	)	
The Market Conduct Examination of	)	FINDINGS, CONCLUSIONS,
	)	AND ORDER ADOPTING REPORT
Vision Service Plan	)	OF
	)	MARKET CONDUCT EXAMINATION
	)	
Authorized Domestic Limited Health Care	)	
Service Contractor	)	

BACKGROUND

An examination of the market conduct of **Vision Service Plan** (the Company) as of June 30, 2005 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Washington, holds a Washington certificate of registration as a limited health care service contractor. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and comments and recommendations was transmitted to the Company for its comments on July 13, 2006. The Company's response to the draft report is attached to this order only for the purpose of a more convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 23 of the report.

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CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Vision Service Plan** and to order the Company to take the actions described in the Instructions section of the report. The Commissioner acknowledges that the Company may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, this being the Instructions contained in the examination report on page 15.

1. The company is ordered to issue approved contracts to all groups incorrectly issued contracts on form number VSP-CA-WA02 in the State of Washington, and provide proof of issuance.

   In the future the company is ordered to file its contract forms and obtain approval from the OIC prior to use. Reference: RCW 48.44.040, WAC 284-43-920. (Rate and Form Filing Standard #1)

2. The company is ordered to immediately file negotiated rates for group contract #12230675. The company is ordered to file future negotiated rates within thirty working days after the earlier of: (a) The date group contract negotiations are completed; or (b) The date renewal premiums are implemented.

   The company is ordered to immediately file voluntary group rates for group contract #12262042 and VSP is to provide proof of submission within 60 days of the date of adoption of this report.

   In the future the company is ordered to file its rates with the OIC prior to use. Reference: RCW 48.44.040, WAC 284-43-920. (Rate and Form Filing Standard #2)

3. The company is ordered to file its provider contract forms and obtain approval from the OIC prior to use. Reference: RCW 48.44.070, WAC 284-43-330. (Provider Activity Standard #1)

4. The company is ordered to review all existing participating provider and participating facility contracts within six months of the date of adoption of this report to ensure all contracts contain the prescribed standards and that all participating providers have been issued contracts that are in compliance. Contracts not in compliance should be reissued or amended accordingly to bring them into compliance and the company is to provide proof of issuance.

   In the future the company is ordered to assure that all of its provider contracts contain prescribed standards and that all of its participating providers have been issued contracts that are in compliance. Reference: WAC 284-43-320 through WAC 284-43-340. (Provider Activity Standard #2)

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 25th day of September, 2006.

MIKE KREIDLER
Insurance Commissioner