

FILED

2014 DEC 22 A 10: 14

STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of)
)
iCan Benefit Group, LLC and)
iCan Insurance, LLC)
)
Licensees.)
_____)

Docket No. 13-0216
ORDER TERMINATING
PROCEEDINGS

TO: Brian F. Kreger, Esq.
Kreger Beeghly, PLLC
999 Third Avenue, Suite 3000
Seattle, WA 98104

COPY TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, Chief Deputy Insurance Commissioner
William R. Michels, Deputy Commissioner, Consumer Supervision Division
AnnaLisa Gellermann, Deputy Commissioner, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

Marta U. DeLeon, Assistant Attorney General
Attorney General of Washington
1125 Washington Street SE
P.O. Box 40100
Olympia, WA 98504-0100

On March 17, 2014, the Insurance Commissioner ("OIC") filed a Notice of Request for Hearing for Imposition of Fines pursuant to RCW 48.17.560 and 48.30.010(6), alleging that that Licensees solicited Washington residents for the sale of insurance from some 20 carriers when Licensees were in fact only appointed by three insurers in Washington, and engaged in other marketing activities that violated the Insurance Code. In response, on April 3, Licensees filed their Licensees' Objection to OIC's Request for Hearing as Contrary to Law; Request to Dismiss OIC's Request; and in the alternative, Request for Administrative Law Judge Assigned under Chapter 32.12 [sic]. In accordance with Licensees' request that the matter be presided over by an administrative law judge pursuant to RCW 48.04.010(5), on March 6, 2013, this matter was

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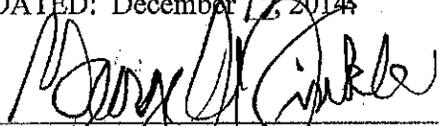
transferred to the Office of Administrative Hearings (OAH) for hearing and the entry of an Initial Order.

On November 24, 2014, the assigned OAH Administrative Law Judge entered a Notice of Case Closure, noting that the Licensees had notified OAH that the parties had resolved all issues raised in the case. The Hearings Unit received the Notice of Case Closure on December 1, 2014, and the case file was returned to the Hearings Unit on December 12, 2014. Subsequently, the OIC provided the Hearings Unit with a copy of the Consent Order Levying a Fine, No. 13-0216, executed by the Licensees on November 19, 2014 and the OIC on November 25, 2014, which sets forth the terms of the parties' settlement agreement. A copy of the Consent Order is attached hereto and by this reference made a part hereof.

Based upon the above activity,

IT IS HEREBY ORDERED that, by the Licensees' and the OIC's execution of the Consent Order on November 19, 2014 and November 25, 2014, respectively, the parties have fully settled this matter and the proceeding herein, Docket No. 13-0216, is dismissed with prejudice.

DATED: December 19, 2014



Judge George Finkle (Ret.)
Presiding Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Brian F. Kreger, Esq., Mike Kreidler, James T. Odiorno, William R. Michels, AnnaLisa Gellermann and Marta DeLeon.

DATED this 22nd day of December 2014.



KELLY A. CAIRNS

STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

IN THE MATTER OF

iCAN BENEFIT GROUP, LLC and iCAN
INSURANCE, LLC

Licensees.

ORDER NO. 13-0216

CONSENT ORDER LEVYING A FINE

This Consent Order is entered into by the Washington State Office of the Insurance Commissioner ("OIC"), acting pursuant to the authority set forth in RCW 48.02.080 and RCW 48.05.185, and iCan Benefit Group, LLC and iCan Insurance, LLC.

BASIS:

1. iCan Benefit Group LLC is a licensed insurance producer in Washington. It has a partner entity named iCan Insurance, LLC which is also a licensed Washington insurance producer. (Collectively, "iCan" or "Company".)
2. In early December, 2012, OIC's Market Conduct Oversight division became aware of certain television website advertisements by iCan, offering insurance products with multiple carriers. OIC investigated to ensure that the licensee was appointed by all these carriers.
3. In response to OIC's inquiries, iCan stated that it does not do business in Washington, and does not even accept phone calls from Washington.

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4. The Company stated that the television ad that started the investigation was produced on a national basis. It ran during the very late or early hours (referred to as "remnant airtime," which are less expensive time slots). ~~The Company did not have the ability to select~~ the ad to run in any specific location or state, as it was placed by a media company that refers insurance inquiries to iCan. The ad is no longer used.

5. OIC also discovered that iCan had a website that offered Washingtonians numerous insurance products from twenty insurers.

6. At the time of the investigation, iCan was appointed with three insurers in Washington and iCan did, and does, have licensed agents in Washington, who are appointed with some of the insurers listed on the television ad and website, but it currently has no appointment or agents appointed to sell for one of these companies.

7. At the time of the investigation, there was no indication anywhere on the website that the products were not available in Washington. In fact, the website had a Washington-specific page (it appears to have had one for every state) which indicated that an association health insurance plan was available in Washington.

8. The association plan was called "My Choice." The website did not give the name of, or any information about, the association through which the coverage was available.

9. OIC staff submitted contact information through the website to request a quote, but received no response.

10. OIC reported its findings to iCan. On March 26, 2013, the Company reported that iCan had revamped its website to make it compliant.

11. Upon reviewing the website, OIC staff found that it still did not indicate that coverage was not available in Washington. It still contained information indicating that at least one health plan was available from iCan in Washington.

12. OIC staff the submitted their Washington contact information to the website. Within approximately five minutes, the staff member received a call from someone from iCan Benefit Group.

13. OIC provided this information to iCan. In very early June, 2013, iCan reported that all of the website issues identified by OIC had been corrected.

~~14. OIC checked the iCan website again, and found that it is now compliant. The site~~
now prominently states that iCan plans are not available in Washington. It does still have a Washington-specific page because the Company wants to be able to provide coverage in Washington in the future. At this time, however, the page simply states that no products are available in Washington and invites consumers to leave their contact information in case such products become available in the future.

15. On various occasions between March and June 2013, OIC staff called iCan's 1-800 number and provided iCan's phone representative Washington-specific contact information. The iCan representative did not inform the staff members that coverage was not available from iCan in Washington; the staffers simply did not receive a return call. Twice, iCan reported that its phone procedures had been brought into compliance, but each time the result was the same. iCan reported a third time that the procedures had been corrected. Initially, OIC staff tried to call the number and it would simply ring with no answer. iCan reported that it was rolling out the corrections state-by-state and had not reached Washington yet.

16. On June 13, 2013, OIC again tried iCan's 1-800 number and found that the script had been put in place and was now compliant.

17. At least one of iCan's television advertisements and iCan's website advertised free Humana prescription discount cards to anyone who would either call iCan or "like" iCan on Facebook.

18. The discount cards appear to have no maximum available discount.

19. By offering Humana's free prescription cards that appear to have no maximum value, iCan violated RCW 48.30.150.

20. After reviewing iCan's television, online, and call center advertising, the OIC determined that iCan's advertising did not disclose that it was not actively selling products in Washington. OIC pointed out that this omission might lead to Washington residents believing that coverage might be available through iCan when it was not. OIC determined that by

advertising insurance products to Washington residents through television, website, and telephone contacts, where no such products were actually being sold by iCan in Washington, ~~iCan's advertising was not in compliance with RCW 48.30.040. iCan worked cooperatively with~~ OIC to amend its advertising to ensure that its business practices are accurately perceived by Washington consumers.

CONSENT TO ORDER:

The OIC and iCan agree that the best interests of the public will be served by entering into this Consent Order. NOW, THEREFORE, iCan Benefit Group, LLC and iCan Insurance, LLC consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of the Company's payment of a fine, and upon such terms and conditions as are set forth below.

1. iCan consents to the entry of this Order, waives any and all hearing rights, and further administrative or judicial challenges to the OIC's actions related to the subject matter of this Consent Order. This order is not intended to preclude any hearing rights, defenses, or arguments in any future matter involving the parties.

2. By agreement of the parties, the Insurance Commissioner will impose a fine of \$5,000 and suspend \$2,500 of that, on the conditions that:

- a. Within thirty days of the entry of this Order, iCan pays \$2,500.
- b. iCan commits no further violations of the statutes and regulations that are the subject of this Order for a period of two years from the date this Order is entered.
- c. iCan understands and agrees that any future failure to comply with the statutes and regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violation, in addition to the imposition of the suspended portion of this fine.
- d. The suspended portion of this fine will be imposed at the sole discretion of the Insurance Commissioner according to the conditions as set forth above, without any right to hearing, appeal, or advance notice. The suspended portion of the fine will be paid within thirty days of execution of an Order imposing it. Failure

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to pay the suspended portion of the fine when imposed shall constitute grounds for revocation of iCan's insurance producer's licenses.

3. iCan understands and agrees that any future failure to comply with the statutes and regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violation, in addition to the imposition of the suspended portion of this fine.

4. iCan's failure to timely pay the unsuspended portion of this fine within thirty days of the execution of this order and to adhere to the conditions shall constitute grounds for revocation of iCan Benefit Group, LLC's and iCan Insurance, LLC's Washington Non-Resident Insurance Producer's licenses, and shall result in the recovery of both the suspended and unsuspended amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED this 19th day of November, 2014.

ICAN BENEFIT GROUP, LLC

By: T. J. Moore

Printed Name: Timothy J. Moore

Typed Corporate Title: Executive VP of Corporate Development

ICAN INSURANCE, LLC

By: T. J. Moore

Printed Name: Timothy J. Moore

Typed Corporate Title: Executive VP of Corporate Development

AGREED ORDER

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

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1. iCan Benefit Group, LLC and iCan Insurance, LLC shall pay a fine in the amount of \$5,000, of which amount the sum of \$2,500 is suspended on the condition that the Company fully comply with the laws and regulations of the state of Washington which are the subject of this Order for the next two years.

2. The payment liability and compliance obligations of iCan Benefit Group, LLC and iCan Insurance, LLC under this Order are joint and several.

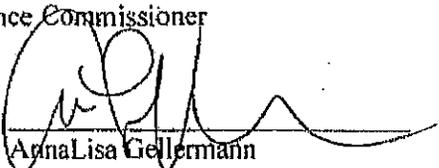
3. The Company's failure to pay the unsuspended portion of the fine within the time limit set forth above shall result in the revocation of both iCan Benefit Group, LLC's and iCan Insurance, LLC's Washington Non-Resident Insurance Producer's licenses and in the recovery of both the suspended and unsuspended amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the state of Washington.

4. This Consent Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the OIC involving iCan. However, the fact of this Consent Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issues or have any preclusive or collateral estoppel effects in any lawsuit by any party other than OIC, based upon any allegation, fact, or legal principle involved in this action.

ENTERED AT TUMWATER, WASHINGTON, this 25 day of November, 2014.

MIKE KREIDLER
Insurance Commissioner

By


Anna Lisa Gellermann
Deputy Commissioner for Legal Affairs

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