

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

**In the matter of:**

**HealthPlus of Michigan, Inc.  
NAIC No. 95580**

**Enforcement Case No. 10-7646**

**Respondent**  
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**Issued and entered  
on April 28th 2010  
by **Stephen R. Hilker**  
Chief Deputy Commissioner**

**CONSENT ORDER AND STIPULATION**

**A. FINDING OF FACTS AND CONCLUSIONS OF LAW**

1. HealthPlus of Michigan, Inc. ("HealthPlus") is a licensed Health Maintenance Organization in the State of Michigan.
2. On February 19, 2010, HealthPlus filed with the Office of Financial and Insurance Regulation ("OFIR") a new benefit package, Rider ZN.
3. HealthPlus knew or had reason to know that Section 3625(1) of the Insurance Code of 1956, as amended, ("Code"), MCL 500.3525(1), provides that:

(1) Except as otherwise provided in subsection (2), if a health maintenance organization desires to change a contract it offers to enrollees or desires to change a rate charged, a copy of the proposed revised contract or rate shall be filed with the commissioner and shall not take effect until 60 days after the filing, unless the commissioner approves the change in writing before the expiration of 60 days after the filing. If the commissioner considers that the proposed revised contract or rate is illegal or unreasonable in relation to the services provided, the commissioner, not more than 60 days after the proposed revised contract or rate is filed, shall notify the organization in writing, specifying the reasons for disapproval or for approval with modifications. For an approval with modifications, the notice shall specify what modifications in the filing are required for approval, the reasons for the modifications, and that the filing becomes effective after the modifications are made and approved by the commissioner. The commissioner shall schedule a hearing not more than 30 days

after receipt of a written request from the health maintenance organization, and the revised contract or rate shall not take effect until approved by the commissioner after the hearing. Within 30 days after the hearing, the commissioner shall notify the organization in writing of the disposition of the proposed revised contract or rate, together with the commissioner's findings of fact and conclusions.

4. On February 26, 2010, HealthPlus advised OFIR that they offered the Rider ZN to an employer group on January 5, 2010 and agreed to a February 1, 2010 implementation date for the Rider ZN.
5. OFIR had not approved the Rider ZN on February 1, 2010.
6. HealthPlus offered and began using the Rider ZN before the Rider ZN was approved by OFIR or the 60 day statutory timeframe had expired.
7. HealthPlus is subject to a penalty under Section 150 of the Code, MCL 500.150 for violating Section 3625(1) of the Code, MCL 500.3525(1).

**B. ORDER**

Based upon the findings of fact and conclusions of law above, and Respondents stipulation to said facts, it is hereby ORDERED that:

1. Respondent HealthPlus shall immediately cease and desist from operating in a manner that violates Section 3525(1) of the Code, MCL 500.3525(1).
2. Respondent HealthPlus shall pay to the State of Michigan, a civil fine of Five Hundred Dollars (\$500.00.). Upon issuance and entry of this Order, OFIR will send an Invoice to Respondent, and Respondent shall pay the fine by the due date printed on the Invoice.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

By: Stephen R. Hilker  
Stephen R. Hilker  
Chief Deputy Commissioner

**C. STIPULATION**

I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I admit the facts set forth in the above consent order and agree to the entry of this order.



\_\_\_\_\_  
Authorized Representative of  
HealthPlus of Michigan, Inc.  
NAIC No. 12193

Name & Title Nancy Jenkins, Vice President  
Membership Growth

Dated: 4/21/10

The OFIR staff approves this stipulation and recommends that the Commissioner issue the above Consent Order.



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William R. Peattie

Dated: 4/28/10