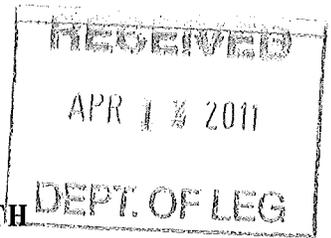


STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION



Before the Commissioner of Financial and Insurance Regulation

In the matter of:

Fox Insurance Company
NAIC No. 10161

Order No. 11-007-M

Issued and entered
this 13th day of April, 2011
by Stephen R. Hilker
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDING OF FACTS AND CONCLUSIONS OF LAW

1. Fox Insurance Company ("Fox") is an Arizona domiciled insurance company with its home office in Scottsdale, Arizona, authorized to transact the business of insurance in the State of Michigan, pursuant to a Certificate of Authority which is currently in force.
2. Fox is a Medicare Part D standalone Prescription Drug Provider that focuses its efforts on providing only prescription drug coverage.
3. Fox qualified for and received auto-enrollments in contract year 2009 due to its ability to meet standards for performance set forth by the Centers for Medicare and Medicaid Services ("CMS").
4. On February 26, 2010, CMS issued an enrollment and marketing sanction to Fox, because Fox was not following Medicare's rules for providing prescription drug coverage to its providers. After an onsite audit of Fox's plan and services, CMS determined that Fox's deficiencies of not meeting Medicare's requirements to provide enrollees with prescription drugs according to recognized standards of care jeopardized the health and safety of Fox enrollees.
5. On March 9, 2010, CMS terminated its contract with Fox.
6. On March 10, 2010, the Arizona Department of Insurance suspended Fox's Certificate of Authority, in Docket No. 10A-042-INS.

7. The Commissioner of the Office Financial and Insurance Regulation (“Commissioner”) has authority under Section 436 of the Michigan Insurance Code, (“Code”) 1956 PA 218, as amended, MCL 500.100 *et seq.*, to suspend, revoke or limit the Certificate of Authority of an insurer upon a finding of a certain conditions.

8. **Section 436 of the Code, MCL 500.436 provides:**

The commissioner may suspend, revoke, or limit the certificate of authority of an insurer if he or she determines that any of the following conditions exist:

(a) The insurer no longer meets the requirements of this act respecting capital, surplus, deposits, or assets.

(b) The insurer's condition is such that it is no longer safe, reliable, or entitled to public confidence or is unsound, or the insurer is using financial methods and practices in the conduct of its business that render further transaction of insurance by the insurer in this state hazardous to policyholders, creditors, or the public.

(c) The insurer's certificate of authority to transact business in its state of domicile, or in the case of an alien insurer, in its state of entry, has been suspended or revoked.

(d) The insurer has failed, after written request by the commissioner, to remove or discharge an officer or director whose record of business conduct does not satisfy the requirements of section 436a(1)(k) or 1315(1)(f) or who has been convicted of any crime involving fraud, dishonesty, or like moral turpitude.

(e) The insurer fails to promptly comply with sections 222 or 438.

(f) The insurer has failed for an unreasonable period to pay any final judgment rendered against it in this state on any policy, bond, recognizance, or undertaking issued or guaranteed by it.

(g) The insurer has failed, within 30 days after notice of delinquency from the commissioner, to cure its failure to pay the taxes, fees, assessments, or expenses required by this act.

(h) The insurer has violated any other provision of this act that provides for suspension or revocation of its certificate of authority.

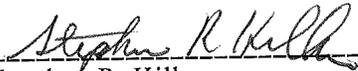
9. As a result of the Arizona Department of Insurance suspending Fox’s Certificate of Authority and the authority granted the Commissioner in Section 436(c) of the Code, MCL 500.436(c) the Commissioner determines that Fox’s Certificate of Authority should be suspended.

B. ORDER

Based upon the findings of fact and conclusions of law above, it is hereby ORDERED that:

1. Fox's Certificate of Authority is **SUSPENDED**.
2. Fox's Certificate of Authority shall remain suspended until such time as Fox is in compliance with Section 436(c) of the Code, MCL 500.436(c) and the Commissioner of the Office of Financial and Insurance Regulation notifies Fox of the reinstatement of its Certificate of Authority.
3. Fox shall immediately stop writing any new business in the State of Michigan.
4. Fox shall continue to file quarterly and annual financial statements, and pay any fees and taxes required to be paid under the Code.

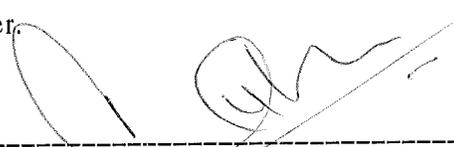
OFFICE OF FINANCIAL AND
INSURANCE REGULATION



Stephen R. Hilker
Chief Deputy Commissioner

C. STIPULATION

Fox acknowledges that the Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Insurance Code. Fox hereby waives the right to a hearing in this matter if this Consent Order is issued. Fox acknowledges 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 and waives any objection to the Commissioner's deciding this case following a hearing in the event the Consent Order is not approved. Fox admits the facts set forth in the above Consent Order and agree to the entry of this Order.



Authorized Representative of Fox Insurance
Company
NAIC No. 10161

Name & Title RAJESH GUPTA, CFO

Dated: 04/08/2011

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



William R. Peattie
OFIR Staff Attorney

Dated: 4/13/11