NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
25 BEAVER STREET
NEW YORK, NEW YORK 10004

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In the Matter of

INDEPENDENT HEALTH ASSOCIATION, INC., and **INDEPENDENT HEALTH BENEFITS CORPORATION,**

Respondents.

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STIPULATION
No. 2011-0198-S

WHEREAS, Respondent Independent Health Association, Inc. is a domestic health maintenance organization authorized pursuant to Article 44 of the New York Public Health Law and Respondent Independent Health Benefits Corporation is a domestic health service corporation authorized pursuant to Article 43 of the New York Insurance Law ("Insurance Law"); and

WHEREAS, an examination of Respondents conducted by the New York State Insurance Department ("Department") for the period January, 2008 through December, 2009, have revealed certain violations of the Insurance Law and/or Department Regulations regarding insurers' obligations to notify contract holders of the availability of certain mental health benefits under "Timothy's Law" (Chapter 748 of the Laws of 2006, as amended by Chapter 502 of the Laws of 2007); and

WHEREAS, Respondents have been advised and are aware of their statutory right to notice and a hearing on any such violations; and

WHEREAS, Respondent wishes to resolve this matter by entering into a Stipulation with the New York State Department of Financial Services ("Department") on the terms and conditions hereinafter set forth in lieu of proceeding with a hearing; ***NOW THEREFORE,***

IT IS HEREBY STIPULATED AND AGREED by and between the Respondent and the Department, subject to the approval of the Superintendent of Financial Services, as follows:

1. Respondents waive their right to further notice and a hearing in this matter and admit that during calendar years 2008 and 2009, they violated Sections 4303(g)(4)(A) and 4303(h)(4)(A) of the Insurance Law by failing to provide written notice to its group contract holders of the availability of coverage for adults and children with biologically based mental illness and for children with serious emotional disturbances.

2. Respondents state in mitigation that the above violations were not the result of any company policy to evade the requirements of the Insurance Law.

3. Respondent Independent Health Association, Inc. consents to the imposition of a civil penalty in the amount of Thirty-Seven Thousand Three Hundred and Eighty Dollars ($37,380.00) and Respondent Independent Health Benefits Corporation consents to the imposition of a civil penalty in the amount of Seventy-Four Thousand Nine Hundred and Seventy Dollars ($74,970.00), for a total penalty of One Hundred Twelve Thousand Three Hundred Fifty Dollars ($112,350.00) receipt of which is hereby acknowledged, in lieu of any other disciplinary action which could be taken by the Department in consequence of the foregoing.

4. Respondents agree to take all additional steps necessary to prevent the recurrence of similar violations in the future.

5. Respondents acknowledge that this Stipulation and any admissions herein contained may be used against them in any future proceeding if there is reason to believe the terms of the Stipulation have been violated by Respondents, or if the Department institutes disciplinary action against Respondents for any reason other than the specific acts considered herein.

Dated: New York, New York
Nov. 17, 2011

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By: _____
Beth Cohen
Associate Attorney

INDEPENDENT HEALTH ASSOCIATION, INC.

By: _____
Name: Michael W. Cropp, MD
Title: President/CEO

INDEPENDENT HEALTH BENEFITS CORPORATION, INC.

By: _____
Name: Michael W. Cropp, MD
Title: President

STATE OF NEW YORK)
) ss.:
COUNTY OF ERIE)

On the 17th day of November 2011, before me personally came Michael W. Cropp, M.D. to me known, who, being duly sworn, did depose and say that he/she resides at Amherst, NY ; that he/she is the President & CEO of Independent Health Association, Inc., the corporation described in and which executed the foregoing instrument; and he/she signed his/her name thereto by order of the board of directors of the corporation.

Maria Behm
Notary Public

MARIA BEHM
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 05/12/20 14

STATE OF NEW YORK)
) ss.:
COUNTY OF ERIE)

On the 17th day of November 2011, before me personally came Michael W. Cropp, M.D., to me known, who, being duly sworn, did depose and say that he/she resides at Amherst, NY ; that he/she is the President of Independent Health Benefits Corporation, the corporation described in and which executed the foregoing instrument; and he/she signed his/her name thereto by order of the board of directors of the corporation.

Maria Behm
Notary Public

MARIA BEHM
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 05/12/20 14

THE FOREGOING STIPULATION IS HEREBY APPROVED.

Dated: New York, New York
November 21, 2011

BENJAMIN M. LAWSKY
Superintendent of Financial Services

By:
Martha A. Lees
Martha A. Lees
Deputy Superintendent & General Counsel