



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

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In the Matter of

HEALTHNOW NEW YORK INC.,

Respondent.

STIPULATION
No. 2012-0227-S

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WHEREAS, Respondent HealthNow New York Inc. is a domestic non-profit health service corporation authorized pursuant to Article 43 of the New York Insurance Law ("Insurance Law"); and

WHEREAS, an examination of Respondent conducted by the New York State Insurance Department for the period January 1, 2004 through December 31, 2008 revealed certain violations of the Insurance Law and/or Regulations; and

WHEREAS, Respondent has been advised and is aware of its right to notice and a hearing on said 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 Respondent and the Department, subject to the approval of the Superintendent of Financial Services, as follows:

1. Respondent waives its right to further notice and hearing in this matter and admits that during the period January 1, 2004 through December 31, 2008, it violated the following provisions of the Insurance Law and/or Regulations:

(a) Section 2112(a), by failing to file certificates of appointment for its insurance agents;

(b) Section 2112(b), by failing to file notices of appointment of producers with the Superintendent within fifteen days from the date that the agency contract was executed or the first insurance application was submitted;

(c) Section 2112(d), by failing to notify the Department of its insurance agents' terminations;

(d) Section 2114(a)(3), by failing to ensure that commissions were paid only to licensed producers;

(e) Section 4802(d), by failing to provide written acknowledgement of grievances;

(f) Sections 3234(b)(6) and 3234(b)(7), respectively, by failing to issue complete Explanation of Benefits Statements ("EOBs") in certain instances where claims were denied because the insured or subscriber was terminated and for certain out-of-network claims.

2. Respondent states in mitigation that the above violations were not the result of any conscious company policy to evade the requirements of the Insurance Law and Regulations.

3. In lieu of any other disciplinary action which could be taken by the Department in consequence of the foregoing, Respondent consents to the imposition of a civil penalty in the sum of Seven Hundred Thousand Dollars (\$700,000.00), receipt of which is hereby acknowledged.

4. Respondent agrees to take all steps necessary to prevent the recurrence of similar violations in the future.

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

Dated: New York, New York

Dec. 11, 2012

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By: *Beth Cohen*
Beth Cohen
Associate Attorney

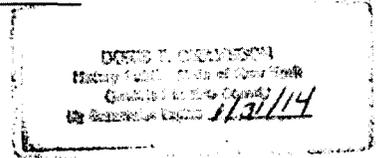
HEALTHNOW NEW YORK INC.

By: *Alphonso O'Neil-White*
Name: Alphonso O'Neil-White
Title: President and CEO

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

On the 3 day of December 2012, before me personally came *Alphonso O'Neil-White*, 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 HealthNow New York 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.

Doris T Lemuel
Notary Public



THE FOREGOING STIPULATION IS HEREBY APPROVED.

Dated: New York, NY
December 12, 2012

BENJAMIN M. LAWSKY
Superintendent of Financial Services

By: *Martha A. Lees*
Martha A. Lees
Deputy Superintendent & General Counsel-Insurance