

Florida Issues Cease-and-Desist Orders Against Health Companies

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Florida Issues Cease-and-Desist Orders Against Health Companies

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TALLAHASSEE, Fla.

The Florida Office of Insurance Regulation issued cease-and-desist orders to three companies for the alleged unauthorized marketing and selling of health insurance.

The Immediate Final Order applies to Depawix Health Resources Inc. and Green Cross Managed Health (also known as Peck & Peck Inc.). Regulators said the affiliated enterprises were marketing group and individual health insurance plans to small businesses and individuals, both directly and through licensed and unlicensed insurance agents, under the guise of selling an employment opportunity with Depawix that provides medical benefits.

According to regulators, groups and individuals participating in the program are required to also be employed by Depawix. Those covered were required to be in regular contact with a gatekeeper in order to receive coverage, office spokesman Jack McDermott said.

"In order to participate in the program, Depawix provides part-time employment as a 'Dual Employer' for which compensation and benefits are paid," reads a portion of the Green Cross website. "Employed as a 'tester,' the individual utilizes the benefits provided by Depawix to facilitate study of the principles, processes and procedures of the Green Cross Managed Health System."

The Florida Department of Financial Services, which originated the investigation, issued a separate order against the companies for soliciting and selling unauthorized health insurance. The department suspects that nearly 300 Floridians may have bought coverage from the Georgia-based enterprises. The DFS, which regulates agents and agencies, learned the insurance was sold by both licensed and unlicensed individuals.

According to the DFS order, Green Cross is in the midst of changing its name to Smart Service Inc.

"Unauthorized health insurance can lead to serious financial hardship for Floridians, which is why Florida's licensed agents should be vigilant about protecting consumers from this type of scam," Florida Chief Financial Officer Alex Sink, who oversees the department, said in a statement

The Office of Insurance Regulation was primarily concerned that Green Cross marketed itself as a health insurance company but was not registered as an insurer, McDermott said.

The companies are required to provide to the office within 10 days a copy of all policies issued to Florida residents and a detailed spreadsheet compiling the information contained in all contracts issued. The order also requires that the companies honor and otherwise fully service all valid claims on any and all policies the companies have executed. The companies have 30 days to file an appeal.

Representatives of Green Cross did not return a message seeking comment.

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