

SEP 20 2012

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	CONSENT ORDER
PETITIONER,)	
)	CAUSE NO. C-1973
VS.)	
)	
NAHGA, INC.,)	
)	
RESPONDENT.)	
)	

In order to resolve this matter, the Nebraska Department of Insurance (“Department”), by and through its attorney, Joel F. Green and NAHGA, Inc. (“Respondent”), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to NEB. REV. STATS. §§ 44-101.01 and 44-5801 et seq. (Reissue 2004). Said jurisdiction and control have been present at all times material hereto.
2. Respondent is a Maine domiciled entity licensed to conduct business in Nebraska as a third-party administrator.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. NAHGA, Inc., Cause Number C-1973 on September 5, 2012. A copy of the petition was served upon the Respondent’s registered business address, 88

Main Street, Bridgton, ME 04009-0189, for service of process by certified mail, return receipt requested.

2. Respondent allegedly violated NEB. REV. STAT. § 44-5812(1) as a result of the following actions:

- a. On September 21, 2011, Goff C. ("Complainant") filed a consumer complaint with the Department against Respondent alleging, in part, Respondent purposefully delayed the payment of insurance benefits.
- b. Complainant filed the original claim for benefits with Respondent on or around April 26, 2011, for the date of loss occurring on February 2, 2011.
- c. On or about December 5, 2011, Respondent, in a written response to an investigatory letter from Department Insurance Investigator Scott Zager ("Investigator Zager"), stated that it served as the third-party administrator on behalf of United States Fire Insurance Company for the insurance policy issued to Midland Lutheran University located in Fremont, Nebraska. Respondent acknowledged that it administered the sports accident policy for Midland Lutheran University under which the Complainant is covered.
- d. On August 30, 2012, Respondent was issued a certificate of authority by the Department granting it authority to transact the business of a third-party administrator in the State of Nebraska. Prior to the issuance of the certificate of authority by the Department on August 30, 2012, Respondent was not authorized to act as, offer to act as, or hold itself out to be a third-party administrator in the State of Nebraska as Respondent had not yet obtained a valid certificate of authority as a third-party administrator from the Department. Respondent was aware of the licensure requirements and exemptions set forth in NEB. REV. STAT. § 44-5812(6), but it had mistakenly interpreted and improperly concluded that it fit within one of the statutory exemptions.

3. Respondent allegedly violated NEB. REV. STAT. § 44-1525(11) as a result of the following actions:

- a. On or about September 29, 2011, October 25, 2011, January 20, 2012, February 23, 2012, and April 30, 2012, Investigator Zager sent separate letters of investigative inquiry to Respondent via regular US mail to its mailing address setting forth questions and seeking information relating to the consumer complaint filed with the Department by Complainant on September 21, 2011. Respondent failed to respond to the letters of investigative inquiry within fifteen working days.

4. Respondent was informed of its right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and

acknowledges that by waiving the right to a public hearing, Respondent also waives the right to confrontation of witnesses, production of evidence, and judicial review.

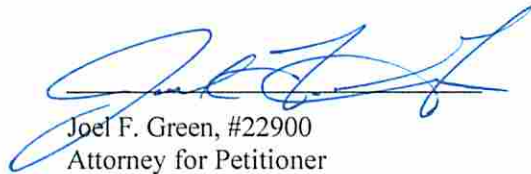
5. Respondent admits the allegations stated in Paragraphs 2 and 3.

CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes a violation of NEB. REV. STAT. §§ 44-1525(11) and 44-5812(1) and is subject to disciplinary action pursuant to NEB. REV. STAT. §§ 44-1529(1) and 44-5815(4).

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed by Respondent, NAHGA, Inc., that Respondent shall pay an administrative fine in the amount of two thousand five hundred dollars (\$2,500.00), due within 30 days after the Director of Insurance or his designee approves and signs this consent order. If Respondent fails to pay the amount required as specified under this consent order, additional administrative action shall be taken by the Petitioner, which may include revocation of Respondent's Nebraska certificate of authority. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his/her signature below.



Joel F. Green, #22900
Attorney for Petitioner
941 O Street, Suite 400
Lincoln, NE 68508
(402) 471-2201

September 20, 2012
Date

NAHGA, Inc.,
Respondent

By: 

Date

9/19/12

State of Maine)
) ss.
County of Cumberland)

On this 19 day of September, 2012, an authorized representative of NAHGA, Inc. personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his/her voluntary act and deed.


Alison M. Kroll
Notary Public

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. NAHGA, Inc., Cause No. C-1973.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Bruce R. Ramge
BRUCE R. RAMGE
Director of Insurance

9-20-2012
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent's registered business address, 88 Main Street, Bridgton, ME 04009-0189, by certified mail, return receipt requested on this 20 day of September, 2012.

I further hereby certify that a copy of the executed Consent Order was sent to Respondent's legal counsel, Chelsea E. Callanan, at Murray Plumb & Murray, 75 Pearl Street, P.O. Box 9785, Portland, ME 04104-5085, by regular US mail on this 20 day of September, 2012.

Nancy A. Gehrke

RECEIVED

SEP 20 2012

**NEBRASKA DEPARTMENT
OF INSURANCE**