

**FILED**

JAN 31 2006

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

NEBRASKA DEPARTMENT  
OF INSURANCE

IN THE MATTER OF THE	)	SUMMARY ORDER TO
UNAUTHORIZED INSURANCE	)	CEASE AND DESIST
ACTIVITIES OF NATIONALWAY	)	AND NOTICE OF RIGHTS
HEALTHCARE ASSOCIATION (NHA),	)	
a/k/a NATIONWIDE BENEFITS	)	CAUSE NO.: I-67
ASSOCIATION, HEALTHONE, INC.,	)	
and WES LONG, THE INTEQ GROUP,	)	
INC., and ANDREW FISK.	)	

The Department of Insurance (herein the "Department"), by and through its Director, L. Tim Wagner, upon Petition for Cease and Desist filed by Department counsel, Christine Neighbors, hereby orders NationalWay Healthcare Association a/k/a Nationwide Benefits Association, HealthOne, Inc., Wes Long, The Inteq Group, Inc., and Andrew Fisk (collectively "Respondents") to immediately CEASE AND DESIST issuing, making, providing, selling or offering, either directly or indirectly, insurance benefits in the State of Nebraska which are not insured by an insurer licensed to transact insurance in the state. Specifically, pursuant to *Neb. Rev. Stat. §44-2002*, NOTICE IS HEREBY GIVEN:

1. That the Director of Insurance is charged with enforcement of the insurance laws of the State of Nebraska. See, *Neb. Rev. Stat. §44-101 et seq.*, including unauthorized activities of insurers;
2. That *Neb. Rev. Stat. §44-2002(2)* defines an insurer to include all corporations, associations, partnerships, and individuals engaged as principals in the business of insurance;
3. That *Neb. Rev. Stat. §44-5802(6)* defines a third party administrator to mean a person who directly or indirectly solicits or effects coverage of, underwrites, collects charges or premiums from, or adjusts or settles claims on residents of this state . . . in connection with life insurance, sickness and accident insurance, . . . ;
4. That *Neb. Rev. Stat. §44-303* provides that an insurer must obtain a certificate of authority before transacting the business of insurance in the State of Nebraska;
5. That *Neb. Rev. Stat. §44-5812* provides that no person shall act as, offer to act as, or hold himself or herself out to be a third party administrator in this state without a valid certificate of authority as a third party administrator issued by the Director of Insurance;

6. That *Neb. Rev. Stat. §44-201(4)* defines sickness and accident insurance to mean insurance against loss or expense resulting from the sickness of the insured, from bodily injury or death of the insured by accident, or both, and every insurance pertaining thereto;
  
7. That the Unauthorized Insurers Act, *Neb. Rev. Stat. §44-2001 et seq.*, provides that “[i]t shall be unlawful for any insurer to transact insurance business in this state, as set forth in subsection (2) of this section without a certificate of authority from the director.” Subsection (2) provides that “[t]he following acts in this state effected by mail or otherwise by or on behalf of an unauthorized insurer shall constitute the transaction of an insurance business in this state . . . :
  - (a) The making of or proposing to make, as an insurer, an insurance contract;
  - (b) The making of or proposing to make, as guarantor or surety, any contract of guaranty or suretyship as a vocation and not merely incidental to any other legitimate business or activity of the guarantor or surety;
  - (c) The taking or receiving of any application for insurance;
  - (d) The receiving or collection of any premium, commission, membership fees, assessments, dues, or other consideration for any insurance or any part thereof;
  - (e) The issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state;
  - (f) Directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of another any person or insurer in the solicitation, negotiation, procurement, or effectuation of insurance or renewals thereof or in the dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts, or inspection of risks, a fixing of rates or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and arising out of it, or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident, located, or to be performed in this state. This subsection shall not operate to prohibit full-time salaried employees of a corporate insured from acting in the capacity of an insurance manager or buyer in placing insurance on behalf of such employer;

- (g) The transaction of any kind of insurance business specifically recognized as transacting an insurance business within the meaning of the statutes relating to insurance; or
  - (h) The transacting or proposing to transact any insurance business in substance equivalent to any of the provisions of subdivisions (a) through (g) of this subsection in a manner designed to evade the provisions of the statutes”;
8. That the Respondents are not licensed as insurers, third party administrators, or producers in the State of Nebraska;
9. That following an investigation into this matter, the Department of Insurance has reasonable cause to believe that Respondents are engaged, either directly or on behalf of an unauthorized insurer, in the business of transacting insurance in the state without a license, in particular, are violating and has violated *Neb. Rev. Stat. §44-2002(a), (c) – (g)* in that:
- (a) In October 2004, Respondent NHA and its affiliate, Respondent HealthOne, Inc., sold a “benefits package” to Nebraska residents, Mary Jane and James Redler, as insurance for Medicare supplemental benefits. From October 2004 to February 2005, the Redlers paid \$735.00 in premium. Neither Respondent NHA nor Respondent HealthOne, Inc., is a licensed insurer in the State of Nebraska.
  - (b) During the time period of October 2004 to February 2005, the Redlers incurred prescription expenses that were submitted to Respondent NHA and/or Respondent HealthOne, Inc., for payment. Respondent HealthOne, Inc., as “Subscriber” contracted with Respondent The Inteq Group, Inc., (“Respondent Inteq”) to administer the prescription program, process and pay claims, approve or disapprove claims, and maintain provider listings. Respondent Inteq is not licensed as a third party administrator in the State of Nebraska.
  - (c) As part of this program, Respondent NHA pooled funds of insureds and was to forward funds to Respondent Inteq to make claim payments.
  - (d) No payments were made to or on behalf of the Redlers although claims were submitted.
  - (e) On or about December 15, 2004, Respondent NHA and/or Respondent HealthOne, Inc., terminated the agreement with Respondent Inteq and attempted to replace its insurance

program with a product underwritten by Companion Life Insurance Company.

- (f) Although Companion Life Insurance Company is authorized to engage in the business of insurance in Nebraska, its coverage did not extend to Nebraska residents.
  - (g) Respondent NHA offered critical illness coverage in the insurance package and represented to the Department, through a copy of a certificate of insurance, that the coverage was in effect. According to the insurer, Central United Life Insurance Company, the policy was cancelled one month after inception and is no longer in effect.
10. That the aforementioned acts described in Paragraph 9 are unlawful and constitute violations of the Unauthorized Insurers Act, the Third Party Administrator Act, and fall within the purview of the Department's authority to exercise powers authorized by law including the issuance of a summary order to cease and desist such activities pursuant to *Neb. Rev. Stat. §44-2003(2)*;
  11. That the Unauthorized Insurers Act, *Neb. Rev. Stat. §44-2002(3)(a)* provides that "[t]he failure of an insurer transacting insurance business in this state to obtain a certificate of authority shall not impair the validity of any act or contract of such insurer and shall not prevent such insurer from defending any action at law or suit in equity in any court of this state, but no insurer transacting insurance business in this state without a certificate of authority shall be permitted to maintain an action in any court of this state to enforce any right, claim, or demand arising out of the transaction of such business until such insurer shall have obtained a certificate of authority;
  12. And, finally, that *Neb. Rev. Stat. §44-2002(3)(b)* provides that "[i]n the event of failure of any such unauthorized insurer to pay any claim or loss within the provisions of any insurance contract, any person who assisted or in any manner aided directly or indirectly in the procurement of such insurance contract *shall be liable* to the insured for the full amount of the claim or loss in the manner provided by the provisions of such insurance contract." (Emphasis added).

WHEREFORE, pursuant to the Nebraska Insurance Code, specifically *Neb. Rev. Stat. §44-2003(2)*, *§44-5812*, and *§44-4045*, I, L. Tim Wagner, do hereby find that the continued transaction of insurance by Respondents without a Certificate of Authority, appropriate third party administrator certificate of authority or appropriate producers license issued by the Department of Insurance, are violations of the Nebraska Insurance

Code and, as such, constitute an immediate danger to the public welfare by placing the public in grave harm so as to necessitate this immediate issuance of an Order.

ACCORDINGLY, IT IS THEREFORE CONSIDERED, ORDERED AND ADJUDGED that Respondents shall immediately CEASE AND DESIST from transacting the business of insurance in this State including acting or holding themselves out as insurers exempt from regulation in this State, third party administrators, or insurance producers, either directly or indirectly, whether under Respondents' own names or any other name whatsoever used by any Respondent individually.

IT IS ORDERED that Respondents shall forthwith notify each and every Nebraska resident of the cessation of all insurance business because Respondents are unlicensed, that no additional premium funds or consideration will be accepted by Respondents from said Nebraska residents and that all Nebraska residents will receive a full refund of premium on or before March 31, 2006.

IT IS FURTHER ORDERED that written verification of the aforementioned notice shall be provided to the Department of Insurance within 10 days of the issuance of this Order. Included with this verification of notice shall be a copy of the names and addresses of all those notified by Respondents

IT IS FURTHER ORDERED that Respondents shall add a disclaimer to any and all websites advertising Respondents products or services that said products and services "are not available in the State of Nebraska."

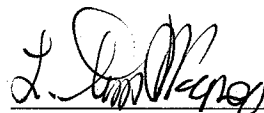
IT IS FURTHER ORDERED the Respondents shall provide a listing of all websites and copies of the disclaimer for each site within 10 days of the issuance of this Order.

#### NOTICE OF RIGHTS

A hearing on this matter may be requested in writing within ten (10) business days after receipt of this Order as authorized under *Neb. Rev. Stat. §44-2003(2)*. If a hearing is requested, the Director shall schedule a hearing within ten (10) business days after receipt of the request.

Dated this 31st day of January 2006.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE,



L. TIM WAGNER  
Director of Insurance

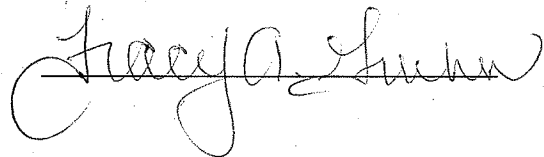
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing SUMMARY ORDER TO CEASE AND DESIST was served upon Respondents by certified mail, return receipt requested, on this 31<sup>st</sup> day of January, 2006, to the following:

George R. Katosic, Counsel for NationalWay Healthcare Association  
George R. Katosic & Associates  
300 North Coit Road, Suite 350  
Richardson, TX 75080

HealthOne, Inc.  
Wes Long  
10333 Harwin Drive, Suite 475  
Houston, TX 77036

The Inteq Group, Inc.  
Andrew Fisk  
5445 La Sierra Drive, Suite 400  
Dallas, TX 75231

A handwritten signature in cursive script, appearing to read "Tracy A. Luhn", is written over a horizontal line.