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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of)
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MAKINA HEALTH)
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OAH No. 19-0288-INS
Case No. D19-02

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (DOI) and Makina Health stipulate and agree to the following terms and that the dispute is resolved as follows:

I. BACKGROUND

A. On March 26, 2019, the DOI issued a Cease and Desist Order against Makina Health, believing them to be an unlicensed multiple employer welfare arrangement (MEWA) in violation of AS 21.85.010.

B. On April 5, 2019, Makina Health requested a hearing on the Cease and Desist Order. The Division of Insurance referred the case to the Office of Administrative Hearings on April 8, 2019 for hearing.

C. As part of the hearing process, the parties agreed to a mediation. At the mediation held on May 6, 2019, representatives of Makina Health claimed the Cease and Desist order was putting Makina Health in danger of being unable to pay claims for its individual members in

1 Alaska. To protect Alaska consumers, the DOI agreed to a partial stay of the Cease and Desist
2 order allowing Makina Health to collect "premium" funds from its nine current employer
3 members for a period of 30 (thirty) days.

4 D. Pursuant to negotiations, the parties now agree to settle the matter with the following
5 terms.

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7 II. TERMS OF AGREEMENT

8 1) Makina agrees to pay all claims for services provided to its Alaska members
9 through June 30, 2019. By September 30, 2019, Makina will provide an accounting of all
10 claims submitted to Makina by Alaska members and written confirmation that all claims
11 have been processed and paid to the DOI. The DOI confirms that payment of claims will
12 not be viewed as a violation of the Cease and Desist Order.

13 2) By August 30, 2019, Makina provides documentary proof to the division that it
14 has returned all premiums paid for any time period after June 10, 2019.

15 3) Makina agrees to stop operating in the Alaska market effective July 1, 2019. If
16 Makina elects to re-enter the Alaska market in the future, it agrees to comply with all
17 Alaska laws, including obtaining proper licensure or registration with the DOI. In
18 addition, Makina will provide copies of any correspondence sent to Alaska consumers
19 related to Makina's withdrawal from the market to the DOI.

20 4) Makina agrees to dismiss its pending appeal with the Office of Administrative
21 Hearings.
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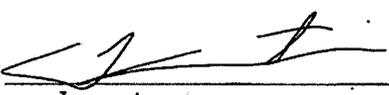
STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
P.O. BOX 110805
JUNEAU, ALASKA 99811-0805
PHONE: (907) 465-2515 • FAX: (907) 465-3422
IF YOU NEED HEARING ASSISTANCE, PLEASE CALL ALASKA RELAY AT 711

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5) DOI agrees to waive penalties against Makina for violations of Alaska insurance law related to this matter.

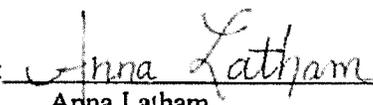
DATED: 29 August 2019

MAKINA HEALTH

By: 
Jorge Arzate
Chief Executive Officer

DATED: 23 August 2019

DIVISION OF INSURANCE

By: 
Anna Latham
Deputy Director

DATED: 8/23/19

KEVIN G. CLARKSON
ATTORNEY GENERAL

By: 
Dan Wilkerson
Assistant Attorney General

ORDER

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2 **IT IS ORDERED** that this Stipulated Agreement and Order is adopted in full resolution
3 of the issues in the case and shall constitute the final order in this matter.

4 DATED this 9th day of September, 2019.

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9 Lori Wing-Heier
10 Director of Insurance

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