

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
550 WEST SEVENTH AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99501-3567
PHONE: (907) 269-7900
FAX: (907) 269-7910
TDD: (907) 465-5437

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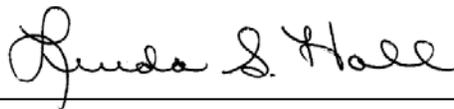
ORDER RESCINDING
CEASE AND DESIST ORDER D 05-10

TO: International Association of Benefits
P.O. Box 224767
Dallas, TX 75222

The Cease and Desist Order D 05-10 issued by the Division of Insurance on May 18, 2005 to International Association of Benefits is hereby rescinded and is no longer in effect

This order is effective immediately.

Dated at Anchorage, Alaska this 28th day of June, 2005.



Linda S. Hall
Director

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2 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
3 DIVISION OF INSURANCE

4 CEASE AND DESIST ORDER D 05-10

5 TO: International Association of Benefits
6 P. O. Box 224767
7 Dallas, TX 75222

8 The Division of Insurance (division) has determined that the International Association of
9 Benefits (IAB) has been transacting the business of insurance in Alaska **without**
10 **authorization**, in violation of AS 21.09.010 and AS 21.27.010. Alaska law states:

11 “insurance” means a contract whereby one undertakes to indemnify another or pay or
12 provide a specified or determinable amount or benefit upon determinable
13 contingencies. AS 21.90.900(24)

14 Under AS 21.27.010

- 15 (a) . . . a person may not act as or represent to be an insurance producer. . . in this state
16 unless licensed
17 (b) An insurance producer . . . may not solicit or take applications for, procure, place
18 for others, or otherwise transact business for a kind or class of insurance for which the
19 person is not licensed.

20 The division has reviewed IAB’s website at <http://www.iabbenefits.com> and obtained a copy
21 of a welcome brochure produced by IAB. Both clearly state that membership includes
22 insurance. In addition, the description of plan benefits and the website contain terminology
23 customarily used to describe insurance. These terms would lead the average consumer to
24 believe that the product offered is insurance. Moreover, the brochure and website offer
25 accidental death and dismemberment benefits, which is a clear and illegal solicitation to sell
26 insurance in Alaska without a license, in violation of AS 21.27.010.

27 An Alaskan consumer who enrolled in Signature Health Group Healthcare Advantage was
28 also enrolled in IAB without her knowledge or consent. Signature/HCA did not disclose its
29 relationship with IAB to the consumer, nor did it inform her that she would be joining IAB or
30 any other association. She did not learn of IAB’s relationship with Signature/HCA until she
31 received a copy of her bank statement showing a debit to IAB. The consumer’s account was
32 debited twice by IAB, despite the fact that she timely cancelled her relationship with
33 Signature/HCA.

34 International Association of Benefits is hereby ordered to cease and desist from further
35 transacting the business of insurance in the State of Alaska. Continued transaction of
36 insurance by IAB in Alaska will be considered a wilful violation and subject to appropriate
37 action under the insurance code. Further, a violation of the insurance code is considered a
38 fraudulent insurance act under AS 21.36.360(p)(1), which may be prosecuted as a class B
39 misdemeanor under AS 21.36.360(q).

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This order is effective immediately.

Dated at Anchorage, Alaska this 18th day of May, 2005.


Linda S. Hall
Director