

STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE  
NINTH FLOOR STATE OFFICE BUILDING  
303 WILLOWBURY AVENUE  
JUNEAU, ALASKA 99801  
PHONE: (907) 465-2616 • FAX: (907) 465-3422  
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STATE OF ALASKA  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE

In the Matter of: )  
MODA HEALTH PLAN, INCORPORATED )  
NAIC NO. 47098. )

Order No. SR-16-01a

**STIPULATED AGREEMENT AND ORDER**

The Division of Insurance (division) and Moda Health Plan, Incorporated.  
(MODA) stipulate and agree to the following:

**I. BACKGROUND**

A. MODA, domiciled in the State of Oregon, obtained a Certificate Authority to transact the business of insurance in Alaska.

B. On January 27, 2016, the Oregon Department of Consumer and Business Services entered an Order of Immediate Supervision over MODA after determining the continuation of business was a hazard to the public or to its insureds.

C. On January 28, 2016, the Alaska Division of Insurance entered an Order of Impairment regarding MODA (Order No. SR 16-01), which among other things, required MODA to suspend accepting new or renewal business in the State of Alaska.

D. On February 6, 2016 MODA and the State of Oregon entered into a consent order under which MODA has agreed to various undertakings and transactions over the coming weeks and months to resolve the hazardous financial condition of MODA.

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2 E. As stated in and consistent with the Oregon consent order, MODA agrees to make  
3 and maintain a deposit in cash equal to \$15,000,000 for the protection of Alaska  
4 policyholders and subject to the requirement of AS 21.24. The funds on deposit, pursuant to  
5 the consent agreement with the State of Oregon, must be held in a bank and under a  
6 depository agreement acceptable to the division. The deposit may be made in installments,  
7 beginning with an initial installment of \$5,000,000 on or prior to February 16, 2016, an  
8 additional installment of \$5,000,000 on or prior to March 15, 2016 and a final installment of  
9 \$5,000,000 on April 15, 2016. The funds held on deposit may not be withdrawn or otherwise  
10 removed except by the authority of the Director of the division. After August 15, 2016  
11 MODA may petition the Director of the division for reduction of the required deposit based  
12 on updated financial information for MODA.

13 F. The parties now agree and stipulate the Order of Impairment No. SR 16-01 is  
14 resolved by the following terms of agreement:

## 15 II. TERMS OF AGREEMENT

16 1. The division agrees to lift the Order of Impairment No. SR 16-01. The lifting of  
17 the impairment order is effective immediately upon the signing of the Order adopting this  
18 stipulation and agreement by the Director of the division.

19 2. Subject to the provisions of AS 21.14 governing risk based capital (RBC), MODA  
20 agrees to file with the division any RBC reports or plans filed with the Oregon Department of  
21 Consumer and Business Services, including any amendments to the reports or plans.

22 3. Consistent with the Oregon consent order, MODA agrees to provide the division  
23 with copies of the financial reports or analyses filed with Oregon and provide monthly  
24 information summarized by company totals as well as segregated by state as follows:  
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- a. Monthly & Year To Date (YTD) Premium receipts
- b. Monthly & YTD Written premiums
- c. Claims Paid during month & YTD
- d. Incurred Losses and Incurred But Not Reported (IBNR) during month & YTD
- e. Loss lag/runoff reports
- f. Estimated RBC ratio at month-end
- g. Estimated total Assets at month-end
- h. Surplus at month-end

4. MODA agrees to provide at the first of every month, monthly enrollment numbers, on and off the exchange and enrollment numbers based on Center of Medicare and Medicaid Services cost sharing categories.

5. MODA agrees in the event of any violation of the Alaska insurance laws or this Stipulated Agreement and Order, the division may seek penalties or actions authorized under the insurance laws of the State of Alaska including a renewed Order of Impairment.

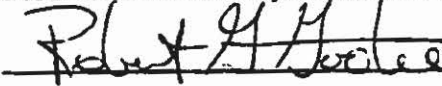
DATED: \_\_\_\_\_

DIVISION OF INSURANCE

By:   
Richard Foster  
Insurance Financial Examiner II

DATED: \_\_\_\_\_

MODA HEALTH PLANS, INCORPORATED

By:   
Its: CEO

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ORDER

IT IS ORDERED that this Stipulated Agreement and Order resolves the Order of Impairment No. SR 16-01 issued on January 28, 2016.

IT IS FURTHER ORDERED that the Order of Impairment No. SR 16-01 is lifted.

DATED this 8<sup>th</sup> day of February, 2016.

  
Lori Wing-Heier  
Director of Insurance