STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In re:

APPLICATION FOR A THIRD PARTY ADMINISTRATOR REGISTRATION FOR PROGYNY INC.

Case No. LD 20-02

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Progyny Inc. stipulate and agree to the following:

I. BACKGROUND

A. On July 16, 2019, the division received Progyny Inc.’s application for a firm and individual Third Party Administrator registration with a health line of authority.

B. On August 26, 2019, the division contacted the firm to request additional information related to the firm’s financial position.

C. On August 29, 2019, the firm provided the requested information.

D. The audited financial statements provided by the independent auditors for the years ending 2018 and 2017 were reviewed for solvency and to determine if Progyny, Inc.’s TPA’s system of accounting, internal control, and procedure is operating effectively to provide
reasonable assurance that money is promptly accounted for and paid to the person entitled to the money.

E. Based on a full review of the submitted documents, the division concluded that Progyny, Inc. has material weaknesses in their financial position that indicate potential solvency issues.

F. AS 21.27.640(a) sets out the general qualifications for registration, "The director may not issue or renew a registration except in compliance with this chapter and may not issue a registration to a person, or to be exercised by a person, found by the director to be untrustworthy, incompetent, financially irresponsible, or who has not established to the satisfaction of the director that the person is qualified under this chapter."

G. Pursuant to AS 21.27.640(a), the division has determined that the firm's financial position is such that the director could deny issuance of a registration.

H. The division, having fully reviewed the application of Progyny, Inc., has determined that issuance of a conditional registration is appropriate.

II. TERMS OF AGREEMENT

1. Progyny Inc. agrees to the issuance of a conditional registration until the division is confident that the firm is better positioned financially to meet its obligations to any Alaskan insured for whom it may contract to provide services.

2. In an effort to establish that Progyny Inc. is solvent, that the firm’s system of accounting, internal control, and procedure is operating effectively in order to provide reasonable assurance that money is promptly accounted for and paid to the person entitled to the money, Progyny Inc. must provide to the division, by June 30 of each year, audited
financial statements for the preceding year prepared by an independent certified public accountant, and any other information that the director may require to review the current financial condition of the firm.

3. The conditional registration is predicated on Progyn Inc. not violating any laws. If Progyn Inc. violates any Alaska laws or regulations the firm must notify the division within 10 days of being charged with or receiving notice of a violation.

4. If Progyn Inc. violates the Alaska insurance code or applicable regulations, while subject to a conditional registration, the division will take administrative action to suspend or revoke the registration issued to the firm. Progyn Inc. will also be subject to any and all sanctions authorized by law, including imposition of additional penalties regarding any such violation.

DATED: 1/22/2020

PROGYNY INC.

By: Jennifer Bealer
Compliance Officer

DATED: 1/27/2020

DIVISION OF INSURANCE

By: Chris Murray
Program Coordinator

DATED: 2/03/2020

KEVIN G. CLARKSON
ATTORNEY GENERAL

By: Erin Egan
Assistant Attorney General
ORDER

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

DATED this ___ day of February, 2020.

[Signature]

Lori Wing-Heier
Director of Insurance