

STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

In Re: American Republic Insurance Company

Docket No.: INS NO. 06-052-EP

CONSENT ORDER

Now Come the New Hampshire Insurance Department (hereinafter "Department") and American Republic Insurance Company (hereinafter "American Republic") and agree by entry of this Consent Order that American Republic shall pay a fine of \$2,000.00 for failing to submit its encrypted claims data in accordance with the rules adopted by the Insurance Commissioner under RSA 420-G:14. Chapter Ins 4004, promulgated under RSA 420-G:14, requires that health carriers submit a complete health care claims data set for all members who receive services under a policy issued in New Hampshire. American Republic failed to comply with this rule by not submitting its data sets in accordance with the deadlines imposed by the rules.

Background

1. In 2003, the New Hampshire Insurance Department (hereinafter "NHID") entered into a memorandum of understanding with the New Hampshire Department of Health and Human Services to collaborate in developing a comprehensive health care information system. The comprehensive health care information system, which includes insurance carriers' claims data, is designed to function as a resource for the state and the public to improve the health care system and to provide consumers with better information to make informed decisions about accessing health care services.
2. In conjunction with the creation of the comprehensive healthcare information system, the General Court enacted RSA 420-G:11, which requires that all health carriers shall "electronically provide their encrypted claims data to the department and to the Department of Health and Human Services in accordance with rules approved by the Commissioner of Health and Human Services and adopted by the Commissioner under RSA 420-G:14."
3. Upon the enactment of RSA 420-G:11, the NHID promulgated Ins. 4004, the Uniform Reporting System for Health Care Claims Data Sets. This rule establishes deadlines for the submission of claims data.
4. In 2005, the Department of Health and Human Services retained the Maine Health Information Center (hereinafter "MHIC") as the designee for the

collection of the claims data. As the designated collection agent, the MHIC has been working with American Republic to assist it in the submission of claims data.

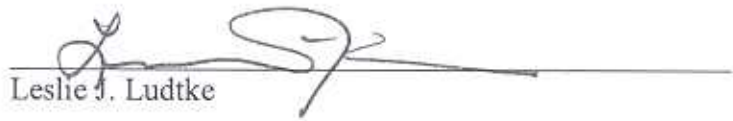
5. Despite notice to American Republic, American Republic failed to submit its claims data in accordance with the deadlines set forth in the NHID rules.
6. By letter of November 1, 2006, the NHID notified American Republic that it was not in compliance and would incur a fine of \$500.00 per day until it complied with the NHID rules.
7. NHID considers American Republic's submission of compliant data sets to have been made on November 4, 2006, thus establishing compliance with the NHID rules on that date.

Wherefore, American Republic agrees to pay the NHID a fine in the amount of \$2,000.00 due to its failure to meet the deadlines for submission of its claims data. The fine shall be paid in full to the Department no later than December 1, 2006.

SO AGREED.

NEW HAMPSHIRE INSURANCE DEPARTMENT


Date: 12-4-06



Leslie J. Ludtke

AMERICAN REPUBLIC INSURANCE COMPANY

Date: 11-30-06



Douglas Hodgson, Esq.