

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS

FINAL ORDER
BTEC/ME 7/27/17

In the Matter of the Proposed Adoption)
of the Financial Condition Examination)
Report as of December 31, 2015) Docket No. 5062-CO
Amerigroup Kansas Inc.)
NAIC #14276)

CONSENT ORDER

NOW COMES on for formal disposition the matter of the proposed adoption of the financial condition examination report as of December 31, 2015 of Amerigroup Kansas Inc. (AGPKS), a Kansas corporation. This matter is brought before the Commissioner of Insurance ("Commissioner") for adoption, rejection, or modification pursuant to the provisions of K.S.A. 40-222.

The Kansas Insurance Department ("KID") and AGPKS wish to resolve this matter by entering into this Consent Order. AGPKS hereby waives any and all rights to further administrative adjudication or review of this matter, including any and all rights conferred upon it under K.S.A. 77-501 *et seq.* This Consent Order constitutes the Final Order in this matter.

The Commissioner, having fully considered and reviewed the financial condition examination report, together with all written submissions, applicable rebuttals, and all relevant portions of the examiners' work papers, and further, being fully advised on all premises, hereby find:

Policy Reasons

It is stated policy of the State of Kansas that whenever the Commissioner deems it necessary, an examination of the affairs and financial condition of any insurance company in the process of organization, applying for admission, or doing business in this State can be undertaken. In all cases, such an examination must occur once every five (5) years. Through the examination process, the insurance consuming public will be well served and protected.

Findings of Fact

1. The Commissioner has jurisdiction over this matter pursuant to K.S.A. 40-222.
2. An examination of AGPKS was undertaken by the Kansas Insurance Department and was completed on April 28, 2017.
3. The examiner-in-charge tendered and filed with the KID a verified written report of the examination within thirty (30) days following completion of the examination, to wit; May 2, 2017.
4. Following receipt of the verified report, the KID transmitted the report to AGPKS on May 16, 2017, with a duly executed notice advising the company of its opportunity to prepare and submit to the KID a written submission or rebuttal with respect to any and all matters contained in the report.
5. AGPKS filed a written rebuttal of the verified report on June 27, 2017.
6. Within thirty (30) days of the end of the time period allowed for written submission or rebuttal, the Commissioner of Insurance fully reviewed the report,

together with all written submissions and rebuttals provided by AGPKS. The Commissioner further reviewed all relevant workpapers.

7. No other written submissions or rebuttals were submitted by AGPKS.

Conclusion of Law

11. K.S.A. 40-222(k)(2) provides:

"Within 30 days of the end of the period allowed for the receipt of written submissions or rebuttals, the commissioner shall fully consider and review the report, together with any written submissions or rebuttals and any relevant portions of the examiners workpapers and enter an order:

(A) Adopting the examination report as filed or with modification or corrections. If the examination report reveals that the company is operating in violation of any law, regulation or prior order of the commissioner, the commissioner may order the company to take any action the commissioner considers necessary and appropriate to cure such violations; or

(B) rejecting the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation or information, and refiling pursuant to subsection (k); or

(C) call and conduct a fact-finding hearing in accordance with K.S.A. 40-281 and amendments thereto for purposes of obtaining additional documentation, data, information and testimony."

12. Based upon the Findings of Fact enumerated in paragraphs #1 through #7 above, the financial condition examination report as of December 31, 2015 of AGPKS should be adopted.

IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:

1. The financial condition examination report as of December 31, 2015 of AGPKS, is hereby adopted.

2. The Commissioner of Insurance retains jurisdiction over this matter to issue any and all further Orders deemed appropriate or to take such further action necessary to dispose of this matter.

IT IS SO ORDERED THIS 27TH DAY OF JULY, 2017 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Ken Selzer
Commissioner of Insurance

BY:

Grace Lancaster
Staff Attorney

BY:

Digitally signed by
frank.clepper@wellpoint.com
Date: 2017.07.23 09:40:36 -05'00'

Mr. Frank Clepper, President and CEO
Amerigroup Kansas Inc.

NOTICE OF RIGHTS TO HEARING AND REVIEW

This Order is subject to the provisions of the Kansas Judicial Review Act, K.S.A. 77-601 et seq. In the event the company files a Petition for Judicial Review, pursuant to K.S.A. 77-613(e), the agency officer to be served on behalf of the Kansas Insurance

Department is:

Diane Minear, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612