

**STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER**

In the Matter of)	
)	
Sanford Health Plan,)	CONSENT ORDER
FEIN 91-1842494,)	CASE NO. CO-17-738
)	
Respondent)	

TO: Kirk Zimmer, Executive Vice President, Sanford Health Plan,
300 Cherapa Place, Suite 201, Sioux Falls, SD 57103

Insurance Commissioner Jon Godfread (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D.C.C. § 26.1-01-03.
2. Sanford Health Plan, FEIN 91-1842494 (hereinafter "Respondent"), is a health maintenance organization that provides health insurance, is licensed under N.D.C.C. ch. 26.1-18.1 as a health maintenance organization, and has been duly authorized to do business in North Dakota since 2010.
3. The Commissioner has jurisdiction over the Respondent and the subject matter of this Consent Order, and this Consent Order is made in the public interest.
4. As a result of information obtained by the North Dakota Insurance Department ("Department") from the respondent, the Commissioner has considered initiating administrative proceedings regarding Respondent's conduct as alleged below and regarding the imposition of a civil penalty or any other action the Commissioner deems necessary. Respondent's conduct is alleged to be in violation of North Dakota Administrative Rule 45-06-01.1-13(1).

5. During the course of the investigation, the Department learned that in 2012 the respondent changed their commission structure and reduced commissions from the level they filed in 2010.

6. N.D. Admin. Rule 45-06-01.1-13(1) states "An issuer or other entity must provide level commissions or other compensation to an agent or other representative for the sale of a medical supplement policy or certificate for the year of issuance and no fewer than five renewal years."

7. During the course of the investigation, the Department learned that Respondent did not keep the commission structure consistent for the time frame as required by the North Dakota Administrative Rules.

8. Respondent has been duly apprised of all allegations.

9. Respondent has agreed to an informal disposition of this matter, without a hearing, as provided under N.D.C.C. § 28-32-22.

10. For purposes of resolving this matter, without further administrative proceedings, Respondent and the Commissioner have agreed to enter into the following Order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent is assessed and shall pay an administrative penalty in the amount of \$1,000 which shall be paid within 30 days of the execution of this Order. Payment must be mailed to: North Dakota Insurance Department, 600 East Boulevard Avenue, Dept. 401, Bismarck, ND 58505.


2. Respondent is required to allow those producers that benefited monetarily from the new commission structure to keep those funds. Additionally, Respondent must pay those

who received lower commissions the amount they would have been paid under N.D. Admin. Rule 45-06-01.1-13 (1). More specifically, Respondent will alter its fee commission structure from a commission based upon a percentage of the premium paid to a commission based on a flat fee per policy.

3. Respondent is required to revert to the structure in paragraph (2) by November 1, 2017.

4. The use of this Consent Order for competitive purposes by an insurance producer or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

DATED at Bismarck, North Dakota, this 30th day of October 2017.



Jon Godfread
Commissioner of Insurance
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, Kirk Zimmer, on behalf of Respondent Sanford Health Plan, states that she has read the foregoing Consent Order and is authorized by Respondent to consent to the entry of this Order. The undersigned, on behalf of Respondent, fully understands the contents and effect of the Consent Order. The undersigned, on behalf of the Respondent, acknowledges that Respondent has been advised of its right to be represented by legal counsel, to request a hearing in this matter, to present evidence and arguments to the Commissioner, and of its right to appeal from an adverse determination after hearing. By the signing of this Consent to Entry of Order, the undersigned, on behalf of Respondent, knowingly and voluntarily waives those rights in their entirety and knowingly and voluntarily consents to the entry of this Consent Order by the Insurance Commissioner and agrees to be bound by it. It is further expressly understood that this Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

DATED this 24 day of October 2017.

By: Kirk J. Zimmer
Kirk Zimmer
Executive Vice President
Sanford Health Plan

State of South Dakota
County of Minnehaha

Subscribed and sworn to before me this 24 day of October 2017.

Rebecca Hatch

Notary Public
My commission expires: 4/2/23

