



4

## HEALTH INSURANCE DENIALS

Healthcare Review may be able to help consumers who have been denied coverage.



5

## AGENT ADVISORY COMM.

Commissioner Goodwin establishes committee to give agents a voice in insurance industry matters.



6

## REGULATORY ACTIONS

Regulatory Action from January through June, 2010.

## New Online Feature Offers Print-Your-Own Licenses

This October, the Department of Insurance's Agent Services Division will no longer print and mail paper licenses for insurance producers, adjusters and business entities. Instead, licensees will be able to log on and print their own licenses through the SBS Connect System.

### SBS Connect System

"The print-your-own license is quick and easy," explained Insurance Commissioner Wayne Goodwin. "Not only will it save printing and postage resources at the NCDOI, but it will allow licensees to have faster access to new and renewed licenses. They won't have to wait the standard eight to 10 business days to receive their license – instead, they can just go online and print it in a matter of minutes."

Licensees will receive an e-mail notification that their license application has been approved and their new or renewal license is available for printing. Once notified, the licensee logs onto SBS Connect, an online service provided by NAIC's (National Association of Insurance Commissioners) State Based Systems. SBS Connect will guide the licensee through the process of setting up a free account and establishing a password. After the licensee is enrolled with SBS Connect, it is quick and easy to click the "Print Your License" option.

SBS Connect also provides optional electronic notifications critical to licensees for the following license events:

- Original license approval
- License renewal
- Line of authority additions
- Line of authority deletions
- License status change
- Address Change
- Name Change
- Doing business as (DBA) name additions
- Doing business as (DBA) name deletions

"More good news about SBS Connect is that it's a free service and the first printing carries no charge," Commissioner Goodwin said. Licensees can print a copy of their license for free when the license is first issued, a new line of authority is added, a line of authority is deleted, or a license is reinstated or renewed. Electronic notifications

more on page 3 •••

# from the **COMMISSIONER'S** desk



## The Fight Against Unauthorized Insurance and Insurance Fraud Continues

Several weeks ago, Al Koehler, deputy commissioner of the Criminal Investigations Division, Angela Ford, senior deputy commissioner of the Public Services Group, and I participated in a panel discussion about insurance fraud and unauthorized insurance on the statewide call-in program, OPEN/net. This subject is always a timely topic, because it seems that there are always scams and unauthorized insurers popping up.

My staff both in the Criminal Investigations Division and the Consumer Services Division work hard to keep this type of activity at a minimum in North Carolina. To date in 2010, the Criminal Investigations Division has seen more than 167 cases successfully closed with more than \$5.8 million in restitution and recoveries, 40 criminal convictions and 66 arrests. During the past three years, the Consumer Services Division has issued cease and desist orders to at least a dozen companies and related individuals who were conducting unauthorized health insurance activities in North Carolina.

The types of scams and unauthorized activity that we have heard the most about are:

- Unlicensed agents going door-to-door selling “ObamaCare” insurance policies or claiming there is a limited open-enrollment period to buy health insurance. Some of these scam artists have even set up bogus toll-free numbers to sell policies. While the reform bill is making a lot of changes, there are no changes that require your immediate action and no immediate deadlines or limited enrollment periods to follow.
- Fake insurance companies that are not licensed by the N.C. Department of Insurance will collect premiums and then close down without paying claims. Fake health insurance is typically sold at unusually low rates by companies that do not have the funds or intent to pay all “covered” claims. These fraudulent schemes are often advertised and marketed through Web sites, telemarketing

calls and unsolicited “blast faxes.”

- Health care discount cards – these discount cards are not insurance and generally do not do process or pay medical claims. Instead, card holders are responsible for paying their health care providers, supposedly being entitled to a discount off of the providers’ regular fees. Discount plans often exaggerate the potential savings, and not all providers accept or honor these cards. While discount cards are not illegal, the Department does not regulate them and they often can turn out to provide very little value to consumers.

Whether it’s ripping off consumers and leaving them with no coverage or just giving hardworking, honest insurance companies and agents a bad name, these scams hurt us all. If you hear of any of these types of scams or suspect fraudulent activity, please let us know. Call us at 1-800-546-5664. By working together, we can continue to fight insurance fraud and unauthorized entities.

**Welcome to the new and improved Eye on DOI newsletter!** It’s been about four years since you last received this publication, and we are happy to have it back in circulation. With the 2009 legislation requiring all licensees to provide an email address, we thought reworking it into an e-newsletter would provide you with information about the Department and issues that affect you and your business in an environmentally- and economically-friendly format.

We plan to publish this e-newsletter quarterly, and each issue will feature updates to licensing requirements, industry issues, NCDI news and much more. If you have suggestions for content, please let us know by emailing [newsletter@ncdoi.gov](mailto:newsletter@ncdoi.gov). For specific questions, be sure to use the contact information provided at the end of each article. We hope you enjoy the new Eye on DOI!

••• continued from page 1

are also free for licensees that sign up for the SBS Connect service and opt to receive e-mail notifications based on license events.

Licensees who need to print multiple licenses throughout the year because they have several company appointments or need to replace a lost or misplaced license will be directed to the NAIC Online License Services; generally SBS Connect offers only first-time prints for free. For a nominal annual subscription fee of \$5.95 — paid directly to SBS — licensees will have the online ability to print their own duplicate licenses.

### Online Process

Beginning Oct. 1, Pearson VUE, NCDOI's license examination vendor, will also stop printing and mailing plastic, photo licenses for resident insurance producers and adjusters. Applicants who pass the licensing examination will be directed to complete their licensing application online through the National Insurance Producer Registry (NIPR) resident electronic application process. Insurance license examinations are valid for one year and the applicant can apply through NIPR within 48-72 hours of successfully passing the examination.

Once a license is approved by the Agent Services Division, the insurance producer or adjuster will receive an email notification that the license will be available within 24 hours for printing through SBS Connect. This print-your-own license process eliminates the delay of up to two weeks that occurred in mailing paper licenses.

### Non-insurance Licensees

Although bail bond licensees can also sign up and utilize the SBS Connect service to receive electronic license notifications, there will be no change to the current process for new and duplicate bail bond licenses through Pearson VUE. Further, bail bondsmen will continue to be required by statute to carry a picture identification card issued by the NCDOI at all times while they engage in bail bond business.

SBS Connect does not offer company license prints or electronic notifications, so there will be no change to the current license process for collection agencies, insurance premium finance companies and motor clubs.

**SBS** | State Based Systems

**NAIC**  
National Association of  
Insurance Commissioners

North Carolina | Online Services

Home | Regulator Services | Industry Services | About Us | News | Contact Us

**Change State:**  
North Carolina

**Mailing Address:**  
NCDOI - Agent Services Division  
1204 Mail Services Center  
Raleigh, NC 27699-1204

**Phone:** 919-807-6800

**Website:** <http://www.ncdoi.com/>

**Available Online Tools**

- [Company Lookup](#)
- [Regulated Industry Services Lookup](#)
- [Licensee Lookup](#)
- [Resident Renewals](#)
- [Nonresident Renewals](#)
- [Resident Original Application](#)
- [Nonresident Original Application](#)

**Online Licensee Services (OLS)**

- » [What is OLS?](#)
- » [Register for OLS](#)
- » [Login to OLS Now!](#)

“My office is committed to streamlining and constantly improving the way we process our licensing. I’m happy that through electronic processing, we are able to save time and resources, and get the approved licenses into your hands more quickly,” said Commissioner Goodwin. “As always, our Agent Services Division will provide assistance and support for our licensees as we migrate to this new print-your-own-license process.”

***If you have any questions about this article or the licensing process, call Agent Services Division at 919-807-6800.***

# Health Insurance Deny your Procedure? NCDOI May be Able to Help.

*Healthcare Review Program offers independent reviews for those who qualify.*

You can feel helpless opening a denial notice from your health insurer when there's a procedure that you and your doctors feel is medically necessary. Fighting the decision through the company's appeals and grievances process can be even more daunting. The good news for consumers in North Carolina is that there's a service available through the N.C. Department of Insurance's Healthcare Review Program that may be able to help consumers who've faced this scenario.

Entering its eighth year and staffed by registered nurses with broad clinical, health plan and utilization review experience, the Healthcare Review Program was created as a way to help North Carolina consumers who have medical services denied by their health insurance company and need assistance. The Healthcare Review Program offers consumer counseling and help with an insurer's internal appeals and grievances process.

The Healthcare Review Program also offers what's known as an external review. External reviews provide a consumer who qualifies with a second look at the insurer's denial (noncertification decision) by an independent medical professional. For a consumer's request to be accepted for external review, the insured must meet eligibility requirements. If accepted for external review, the case is assigned to an independent review organization for clinical review.

The external review's outcome is final, and insurers must pay for the denied medical service. Interestingly, in some cases, the insurance company will reverse its own denial and cover the medical service. The external review process is free for the consumer and is available to people covered under fully insured health plans, the North Carolina State Health Plan, the North Carolina Health Choice for Children plan and the North Carolina High Risk Pool (Inclusive Health).

**For more information, or if you know someone who may benefit from the Healthcare Review Program's services, call 877-885-0231 (toll-free in North Carolina). You can also check out the program's informational video and link to their Facebook page by visiting [www.ncdoi.com/ER](http://www.ncdoi.com/ER).**



## Healthcare Review: By the Numbers in 2009

**78 external reviews were accepted and processed (147 were requested)**  
– 67 standard reviews (45 days)  
– 11 expedited reviews (4 business days)

**45% of overall external review outcomes favored consumers, but specific types of requests saw even better results:**

– Surgical services: 55.2% in favor of consumer  
– Lab, imaging and testing services: 66.7% in favor of consumer

External review favorable outcomes were worth **\$248,107.22**

The average denied service reversal decision was worth **\$7,753.35**

Since inception, the external review program has resulted in **\$3.3 million** in denied medical services that were reversed in favor of the consumer.



## Commissioner Goodwin Establishes Agents Advisory Committee

Since the start of his first year in office, Insurance Commissioner Wayne Goodwin has worked to be a visible and present fixture in matters that pertain to the Department of Insurance and the insurance industry. So as part of his early efforts, Commissioner Goodwin began laying the groundwork for the Agents Advisory Committee. The goal of the Committee is to improve communication between agents and industry representatives and the Department in an effort to further improve North Carolina's marketplace for consumers and the industry alike.

"The idea is to bring together agents from across the state so that I can hear straight from the horse's mouth, so to speak, about what issues you are facing everyday," said Commissioner Goodwin.

Made up of 20 insurance agents from across North Carolina, the Committee gives both independent and captive agents a voice in the regulatory process as it relates to the insurance industry. Committee members are appointed by Commissioner Goodwin and serve either a two- or one-year term.

The inaugural meeting of the Agents Advisory Committee kicked off on Dec. 2, 2009, at the

Department's downtown Raleigh office and paved the way for three additional meetings in 2010. Beginning in 2011, the Committee will meet quarterly with regular conference calls scheduled between formal meetings.

"The Agents Advisory Committee has already proven to be a wonderful way for the Department and me to exchange ideas with the agent community," Commissioner Goodwin added. "I'm proud that my administration has coordinated this effort — it's the first time we've had this type of organized communication and feedback directly from agents."

In May, the group convened on UNC-Charlotte's campus and included faculty and students from the university's Belk College of Business. Rose Vaughn Williams, the Department's legislative counsel, provided a legislative update. The following month, Committee members traveled to the Department's Office of State Fire Marshal for a primer by Tim Bradley, OSFM's assistant state fire marshal and senior deputy commissioner, about the Commissioner's role as state fire marshal and OSFM's responsibilities.

The final 2010 Committee meeting will be held at Appalachian State University in November and will

more on page 6 •••

**Is your individual and/or company's e-mail address on file with NCDOI? If not, click [HERE](#) if you're an individual or [HERE](#) for a company to register a valid e-mail address.**

**Remember, state law requires you provide a valid e-mail address to NCDOI!**

# IMPORTANT CONTACT INFORMATION

## Agent Services Division

(licensing questions, continuing education, etc.)  
[www.ncdoi.com/asd](http://www.ncdoi.com/asd) or 919-807-6800

## Life and Health Division

[www.ncdoi.com/lh](http://www.ncdoi.com/lh) or 919-733-5060

## Property and Casualty Division

[www.ncdoi.com/pc](http://www.ncdoi.com/pc) or 919-733-3368

## Market Regulations Division

[www.ncdoi.com/me](http://www.ncdoi.com/me) or 919-807-6899

## Financial Evaluation Division

[www.ncdoi.com/fed](http://www.ncdoi.com/fed) or 919-733-2205 (Financial Analysis)

**Want to look up the license for an individual, business entity, collection agency, insurance premium finance company or motor club?** Check out the Agent Information Portal on the Agent Services Division's homepage, [www.ncdoi.com/asd](http://www.ncdoi.com/asd).

••• continued from page 5

provide students there the chance to meet industry leaders and learn about the regulatory process in North Carolina.

**For more information about the Agents Advisory Committee, contact Kelly Ricketts, special assistant to the Commissioner, at [kelly.ricketts@ncdoi.gov](mailto:kelly.ricketts@ncdoi.gov).**

### **Agents Advisory Committee Members**

Pat Molamphy – (Chairperson) Pat Molamphy Agency  
Jody Brown – Life Store Insurance  
Luther Carter – Luther Carter Jr. Ins.  
Rep Leslie Cox – Bankingport, Inc.  
Raife Davis – General Insurance Services  
Sara Donaldson – Sara Donaldson Ins. Agency, Inc.  
Wade Dunbar – Wade S. Dunbar Insurance Agency  
Tommy Frazier – Wester Insurance Agency

Harry Fitzgerald – BB&T Blue Ridge Burke, Ins.  
Cameron Harris – Cameron M. Harris & Co.  
Charlotte Hicks – Aquesta Insurance Services, Inc.  
Paul Hoover – Durfey-Hoover-Bowden Ins Agency, Inc.  
Jackie Ireland – Anders Ireland & Marshall  
Ray Kaalund – Diversified Associates NC LLC  
Betsy Lane – Betsy Lane State Farm Insurance  
Allen Parrott – Jake A. Parrott Ins. Agency  
David Redwine – Coastal Insurance  
Anthony Vincent – Anthony Vincent Ins. Agency  
Bo Walker – Walker Robinson Clark Insurance  
Linda Willey – J Fletcher Willey Agency, Inc.

# REGULATORY ACTIONS

January — June, 2010

<b>NC License/NPN#</b>	<b>Action</b>	<b>Date of Action</b>
<b>PRODUCERS</b>		
Ronald L. Stockton C License/NPN #: 1480266	Voluntary Settlement Agreement - \$ 500 Fine Resident Life, Accident Health & Sickness, Medicare Supplement Longterm Care Licenses	1/4/2010
Terese Harkins NC License/NPN #: 257806	Voluntary Settlement Agreement - \$ 250 Fine Nonresident Life, Accident Health & Sickness Licenses	1/15/2010
Rolanda M. Collins NC License/NPN #: N/A	License Denial Resident Life	1/21/2010
Donald A. Brown NC License/NPN #: 6826514	Voluntary Surrender Nonresident Life, Accident Health & Sickness Licenses	1/22/2010
Zachariah D. Collar NC License/NPN #: 10557784	License Revoked Nonresident Personal Lines License	1/26/2010
Marion K. Batchelor NC License/NPN #: N/A	License Denial Resident Life	1/26/2010
Daniel Frain NC License/NPN #: N/A	License Denial Nonresident Personal Lines	1/26/2010
Laura Gentry NC License/NPN #: 8955816	Voluntary Surrender Resident Life, Accident Health & Sickness Licenses	1/27/2010
Kristal Grant NC License/NPN #: N/A	License Denial Resident Personal Lines	2/9/2010
Darrell Jackson NC License/NPN #: N/A	License Denial Nonresident Life, Accident Health & Sickness	2/9/2010
Adrienne D. Dalton NC License/NPN #: 3524323	Voluntary Settlement Agreement - \$ 1000 Fine Resident Life, Accident Health & Sickness, Medicare Supplement Longterm Care Licenses	2/9/2010
Sue B. McNeill NC License/NPN #: 6582180	Voluntary Surrender Resident Property, Casualty Licenses	2/12/2010
Brandy Prats Hunt NC License/NPN #: 7933686	Voluntary Surrender Nonresident Life, Accident Health & Sickness Licenses	2/22/2010
Ronald Craig McCullough NC License/NPN #: 7366533	Voluntary Surrender Resident Life, Accident Health & Sickness Licenses	2/22/2010
Donn A. Snipes NC License/NPN #: 6597174	Voluntary Surrender Resident Life, Accident Health & Sickness, Property, Casualty, Medicare Supplement/Long Term Care Licenses	2/24/2010
Kristina P. Pfaff NC License/NPN #: 8235628	Voluntary Settlement Agreement - \$ 250 Fine Resident Life, Accident Health & Sickness Licenses	2/25/2010

continued •••

continued • • •

<b><i>NC License/NPN#</i></b>	<b><i>Action</i></b>	<b><i>Date of Action</i></b>
Terry A. Evans NC License/NPN #: 13422413	Voluntary Surrender Resident Life, Accident Health & Sickness Licenses	3/2/2010
Jason P. Bourgo NC License/NPN #: 7509656	Voluntary Surrender Nonresident Life, Accident Health & Sickness, Variable Licenses	3/4/2010
Larry S. Cooke NC License/NPN #: 8960663	Voluntary Surrender Resident Life, Accident Health & Sickness, Property, Casualty, Broker Licenses	3/5/2010
Stephan Pickman NC License/NPN #: 8471533	Voluntary Settlement Agreement - \$ 1,250 Fine Nonresident Life, Accident Health & Sickness Licenses	3/15/2010
Maria Antonucci NC License/NPN #: 3480525	License Denial Resident Property, Casualty	3/15/2010
Tamara S. Shell NC License/NPN #: N/A	License Denial Resident Casualty	3/15/2010
David C. Smith NC License/NPN #: 11444153	Voluntary Surrender Resident Life, Accident Health & Sickness, Medicare Supplement Longterm Care Licenses	3/19/2010
Teresa H. Barnhardt NC License/NPN #: 2387224	Voluntary Surrender Resident Property, Casualty, Broker Licenses	3/19/2010
Joe A. Walker NC License/NPN #: 6578856	Voluntary Surrender Resident Life, Accident Health & Sickness, Medicare Supplement Longterm Care Licenses	3/19/2010
Aaron Pittman NC License/NPN #: 642864	Voluntary Surrender Resident Life, Accident Health & Sickness Licenses	4/6/2010
Paul E. Blount NC License/NPN #: 8585225	Voluntary Surrender Resident Life, Accident Health & Sickness, Property, Casualty Licenses	4/15/2010
Roland D. Branch NC License/NPN #: 6563547	Voluntary Surrender Resident Life, Accident Health & Sickness, Property, Casualty Licenses	4/20/2010
Sharmella O. Faison NC License/NPN #: 7333800	License Revoked Resident Accident Health & Sickness, Medicare Supplement Longterm Care Licenses	5/4/2010
Emily B. Mazur NC License/NPN #: 10286923	License Revoked Resident Life, Accident Health & Sickness, Property, Casualty Licenses	5/4/2010
Deshawn D. Benson NC License/NPN #: 10861115	Voluntary Settlement Agreement - \$ 250 Fine Nonresident Accident Health & Sickness License	5/19/2010
Janice L. McCreary NC License/NPN #: 12473736	License Revoked Resident Life, Accident & Health & Sickness Licenses	6/3/2010
Karen J. Mercer NC License/NPN #: 6567090	Voluntary Surrender Resident Property, Casualty Licenses	6/14/2010

continued • • •

<b>NC License/NPN#</b>	<b>Action</b>	<b>Date of Action</b>
<b>BAIL BONDSMEN</b>		
Ronnie Saunders NC License/NPN #: 10315941	Voluntary Settlement Agreement - \$ 250 Fine Surety Bail Bondsman	1/4/2010
Raymond Perkins NC License/NPN #: 7844325	Voluntary Surrender Surety Bail Bondsman	1/11/2010
Paul M. Lewis NC License/NPN #: 8393662	Voluntary Surrender Bail Bond Runner License	1/27/2010
Julie Styron NC License/NPN #: 10086324	Voluntary Settlement Agreement - \$ 500 Fine Surety Bail Bondsman	2/8/2010
Jimmie L. Hackett NC License/NPN #: 8393705	Voluntary Surrender Bail Bond Runner	1/27/2010
Michael McGee NC License/NPN #: 10935065	Voluntary Settlement Agreement - \$ 250 Fine Surety Bail Bondsman	3/4/2010
Tammy Worley NC License/NPN #: 10595926	License Revoked Surety Bail Bondsman	3/4/2010
Michael Freeman NC License/NPN #: 10004564	License Revoked Surety Bailbondsman	3/17/2010
Carroll Griffin NC License/NPN #: 14304512	License Revoked Surety Bailbondsman	4/22/2010
Charles D. Miller NC License/NPN #: 8392575	Voluntary Settlement Agreement - \$250 Fine Surety & Professional Bondsman	6/23/2010
<b>MARKET REGULATION DIVISION</b>		
WellPath Select, Inc.	Settled for \$6,000.00	7/15/10
Coventry Health and Life Insurance Company	Settled for \$6,000.00	7/15/10
North Carolina Mutual Insurance Company	Settled for \$10,000.00	8/19/10
Conseco Life Insurance Company (Multi-State)	Settled for \$16,0710.00	8/20/10