



Government of the District of Columbia
Muriel Bowser, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

IN THE MATTER OF:

TRUSTED HEALTH PLAN, INC.

Respondent.

IB-CO-01-14

FINAL ORDER

Background

On March 8, 2014, Chester A. McPherson, Commissioner of the Department of Insurance, Securities and Banking, (“Department”) entered into a Consent Agreement with the Respondent, Trusted Health Plan, Inc. D.C. Official Code § 31-103, delegates the Commissioner of the Department the authority to administer the insurance laws of the District of Columbia. Additionally, the Commissioner is authorized to initiate and resolve administrative actions against HMO’s. D.C. Official Code §§ 31-1901, 3419, 3423 and 3851 *et seq.* The Respondent is a HMO licensed to conduct business in the District of Columbia.

In lieu of an administrative proceeding, the Department and the Respondent entered into a Consent Agreement to resolve alleged violations by the Respondent of the District of Columbia’s insurance laws.

On May 2, 2014, the Commissioner of the Department issued a Corrective Order to the Respondent, on the basis that the Respondent breached the terms of the Consent Agreement. The Respondent disagreed with the issuance of the Corrective Order and in accordance with D.C. Official Code § 31-3851.07, they filed a timely request for an administrative hearing.

An administrative hearing was scheduled for April 8, 2015 through April 10, 2015. However, on or before March 1, 2015, the Respondent timely filed with the Department a copy of its 2014 Annual Statement and its corresponding Risk Based Capital (“RBC”) Report. The Respondent’s RBC Report stated an RBC level in excess of 200%, the RBC threshold necessary to avoid a Company Action Level Event.

As a result of the RBC level reported by Trusted for year-end 2014, and its full compliance with the conditions in the Corrective Order, the Corrective Order expired by its own terms on March

1, 2015. The Corrective Order has not been extended or amended by the Commissioner, nor does the Commissioner intend to extend or amend the Corrective Order.

Therefore, because the Corrective Order has expired, the parties agreed that the issues memorialized in the Corrective Order are moot and Respondent has withdrawn its request for a hearing. Moreover, on March 30, 2014, the party's filed a Joint Motion to Dismiss which by agreement disposed of all contested issues. See Joint Motion to Dismiss attached hereto as Exhibit "A" and incorporated by reference. Since the Joint Motion to Dismiss renders all contested issues moot. This matter shall be dismissed.

On April 1, 2015, a status conference was held via telephone. Counsel for the respective party's were present and represented that the Joint Motion to Dismiss filed on March 30, 2014 resolved all contested issues.

Analysis

It is standard doctrine that "when the parties voluntarily agree to enter into a settlement, pending litigation concerning the controversy will be rendered moot because an effective resolution has been reached and further court action is unnecessary." 15 James W. Moore, Moore's Federal Practice § 101.93[4] (3d ed. 1997).

Conclusion

Accordingly, the contested issues raised in Respondent's request for an administrative hearing having been disposed of by the filing of the Joint Motion to Dismiss renders all contested issues moot.

ORDER

IT IS HEREBY ORDERED that the Joint Motion to Dismiss is **GRANTED**, it is further

ORDERED, that the Department's May 2, 2014 Corrective Order directed at Trusted is deemed expired as of March 1, 2015;

ORDERED, that Trusted is deemed to have withdrawn its request for an administrative hearing pursuant to contest the Corrective Order; and it is hereby

ORDERED, that the Matter of Trusted Health Plan, Inc, case number IB-CO-01-14 is rendered moot and dismissed with prejudice.



Chester A. McPherson
Acting Commissioner
Department of Insurance, Securities
and Banking

Dated this 27th day of April, 2015

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