BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE

IN THE MATTER OF:	)	
	)	
HIGHMARK BCBSD INC.	)	DOCKET NO. 5429
	)	
NAIC #53287	)	

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of September 23, 2024, by and between Highmark BCBSD Inc. (the "Respondent") and the State of Delaware Department of Insurance (the "Department"). Respondent and the Department are collectively referred to herein as the "Parties."

WHEREAS, Respondent is a health service corporation incorporated under Delaware law and authorized to conduct the business of insurance in the State of Delaware under Chapter 63 of the Delaware Insurance Code (18 *Del. C.* §§ 101, et seq.); and

WHEREAS, the Department, through its examiners, conducted a target market conduct examination ("Examination") designed to review Respondent's compliance with coverage requirements for volunteer ambulance company services pursuant to 18 *Del. C.* §§ 3349A and 3565A for the period of January 1, 2021 through September 30, 2023; and

WHEREAS, pursuant to 18 *Del. C.* § 321(c), the Department provided Respondent with a verified written report of examination under oath (the "Examination Report"); and

WHEREAS, Respondent has reviewed and provided the Department with comments on the Examination Report; and

WHEREAS, after considering Respondent's comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of September 30, 2023 (the "Final Examination Report"); and

WHEREAS, among other findings contained in the Final Examination Report, the Department concluded that the Respondent's practices and procedures did not comply with the below-listed statutory and regulatory provisions (collectively, the "Violations"):

18 *Del. C.* §§ 3349A & 3565A Required coverage for volunteer ambulance company services, and

18 *Del. C.* § 2304(16)d. Refusing to pay claims without conducting a reasonable investigation based upon all available information.

and

WHEREAS, following arms-length communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action.

NOW, THEREFORE, IT IS AGREED, by and between Respondent and the Department as follows:

1. All of the recitals set forth above are hereby incorporate herein and made a part of this Stipulation and Consent.

2. Respondent accepts the Final Examination Report as the Department's findings in this Examination, waives any right to a hearing thereon, and agrees that the Department may file the Final Examination Report without any further modifications. The Department shall post a copy of the Final Examination Report and this Stipulation and Consent on the Department's public website.

3. Respondent shall immediately begin to implement corrective actions (the "Corrective Actions") for any and all Exceptions and Recommendations included in the Final Examination Report and shall report completion of the Corrective Actions to the Department within sixty (60) days of the date of this Stipulation and Consent Order. Within one year of the date of the Final Examination Report, the Department may re-examine the Exceptions and Recommendations in

the Final Examination Report and determine whether the Corrective Actions were appropriate, properly implemented, and effective. If Respondent continues to be out of compliance by either failing to timely submit the Corrective Actions to the Department, or as determined by the Department's re-examination, the Department may issue additional penalties, including but not limited to, additional administrative monetary penalties, prohibiting new business in the State of Delaware, and suspension or revocation of the Respondent's certificate of authority.

4. Upon execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Violations in the amount of Three Hundred and Sixty Three Thousand Seven Hundred and Fifty Dollars ($363,750.00). Payment shall be in the form of a check made payable to the "State of Delaware."

5. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

6. This Stipulation and Consent Order is the free and voluntary act of Respondent, and its terms are binding upon Respondent and may be admitted into evidence in any judicial or administrative proceeding against Respondent for any purpose. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

7. This Stipulation and Consent Order contains all terms and conditions agreed to by the parties and constitutes the final agreement between Respondent and the Department with regard to the Examination.

8. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

9. If the Department fails to act on any one or more defaults by Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by any applicable law.

10. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

11. This Stipulation and Consent Order shall survive Respondent and be enforceable against its successors, transferors, or assigns.

[*Signature Page Follows*]

Highmark BCBSD Inc.

NAIC # 53287

Name: Nicholas A. Moriello
Title: President
September 23, 2024

DELAWARE DEPARTMENT OF INSURANCE

Trinidad Navarro
Insurance Commissioner
September 24 , **2024**

HIGHMARK.

PO BOX 890089, Camp Hill, PA 17089-0089

CHECK NO. 0030791946 09/18/2024

60-162/433

Pay to the Order of DELAWARE DEPARTMENT OF INSURANCE ***$363,750.00

Void if not Cashed Within 1 year

*****THREE HUNDRED SIXTY-THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS AND ZERO CENTS*****

PNC
Pittsburgh 2

HIGHMARK INC.
AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

⑈0030791946⑈ ⑆043301627⑆ 2151208⑈