

THE HON. MONICA J. LINDEEN
Commissioner of Securities & Insurance,
Montana State Auditor
840 Helena Avenue
Helena, MT 59601
(406) 444-2040

COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR

IN THE MATTER OF THE REPORT OF THE EXAMINATION OF BLUE CROSS AND BLUE SHIELD OF MONTANA, INC. (NOW KNOWN AS CARING FOR MONTANANS, INC., AS OF JULY 31, 2013),	CASE NO. INS-2011-183
Respondent.	FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER ADOPTING THE EXAMINATION REPORT FOR THE PERIOD ENDING DECEMBER 31, 2010.

Having fully considered the proposed Amended Examination Report of Blue Cross and Blue Shield of Montana, now known as Caring for Montanans (the Company), NAIC # 53686, the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), hereby makes the following Findings of Fact, Conclusions of Law, and Order adopting the verified Amended Examination Report:

FINDINGS OF FACT

1. Risk & Regulatory Consulting, LLC, a subsidiary of RSM McGladrey, Inc. working in conjunction with the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), conducted an examination of the affairs, transactions, and records of the Company. An Examination Report (Report) covering the period July 1, 2006, through December 31, 2010, was prepared.
2. On June 13, 2013, the Report was completed and served on the Company, together with a notice giving the company 30 days to make written submissions or rebuttals with respect to any matters contained in the Report.
3. By mutual agreement, the Company and the CSI agreed to extend the 30 days to allow

the Company to make its written submissions or rebuttals by July 22, 2013.

4. The Company submitted its written submissions or rebuttals on July 22, 2013.
5. The Commissioner considered the entire record submitted and ordered an investigatory hearing pursuant to Mont. Code Ann. § 33-1-409, for the purpose of resolving inconsistencies, discrepancies, or disputed issues.
6. Prior to the hearing the CSI submitted the Amended Examination Report (Amended Report).
7. The Commissioner reviewed the Amended Report.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over this matter pursuant to § 33-1-311, which charges the Commissioner with the duty of administering and enforcing the Montana Insurance Code, and pursuant to sections in Title 33, Chapter 1, Part 4, which govern the examination of insurers by the CSI.
2. Pursuant to § 33-1-409, the Commissioner has authority to issue a final agency determination with respect to this Report.
3. Pursuant to § 33-1-317, the Commissioner may impose a fine not to exceed the sum of \$25,000 per violation on an insurer who has been found to have violated a provision of the Montana Insurance Code.
4. Pursuant to § 33-1-701, the Commissioner may hold hearings for any purpose within the scope of the Insurance Code considered necessary.
5. The Commissioner determines that no hearing is necessary for purposes of imposing a fine.

ORDER

Having carefully and thoroughly reviewed and considered the record in this matter including the Amended Report, relevant examiner notes, and work papers, IT IS ORDERED:

1. The Amended Market Conduct Examination Report of the Company, for the period ending December 31, 2010, attached hereto as Exhibit A, is hereby adopted.
2. Pursuant to § 33-1-317, the Company is fined in the amount of two hundred fifty thousand Dollars (\$250,000) based on the findings identified herein. This fine shall be payable to the CSI within 30 days of receipt of this Order.
3. Within 30 days of the issuance of this Order, each of the Company's directors shall file affidavits with the CSI stating under oath that they have received a copy of the adopted Report and the related Order.
4. Pursuant to § 33-1-409(5), these Findings of Fact, Conclusions of Law, and Order adopting the Amended Examination Report for the Period Ending December 31, 2010, and the adopted Amended Examination Report will remain confidential for 30 days following the issuance of the same.

DATED this 10th day of February, 2014.

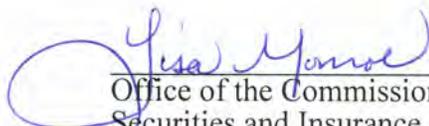


MONICA J. LINDEEN
Commissioner of Securities and Insurance,
Montana State Auditor

CERTIFICATE OF SERVICE

I hereby certify that on the 10th day of February, 2014, I served a true and accurate copy of the foregoing Findings of Fact, Conclusions of Law, and Order Adopting the Proposed Amended Examination Report for the Period Ending December 31, 2010, by certified U.S. mail, postage prepaid and certified, receipt # 7011 0470 0003 1311 5026 to the following address:

Caring For Montanans, Inc.
P.O. Box 1165
Helena, Montana 59624



Office of the Commissioner of
Securities and Insurance
Montana State Auditor