TO: Office of the President  
Blue Cross Blue Shield of Kansas City  
P.O. Box 419169  
Kansas City, MO 64141-6169  

RE: Missouri Market Conduct Examination 0903-12-TGT  
Trisource Healthcare Inc. d/b/a Blue Advantage (NAIC #95916)  

STIPULATION OF SETTLEMENT  
AND VOLUNTARY FORFEITURE  

It is hereby stipulated and agreed by John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as “Director,” and Trisource Healthcare Inc. d/b/a Blue Advantage, hereafter referred to as “Blue Advantage,” as follows:  

WHEREAS, John M. Huff is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as “the Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri; and  

WHEREAS, Blue Advantage has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and  

WHEREAS, the Department conducted a Market Conduct Examination of Blue Advantage, Examination number 0903-12-LAH; and  

WHEREAS, the report of the Market Conduct Examination has revealed that:
1. In some instances, Blue Advantage improperly denied claims, thereby violating §§160.900, 208.144, 376.383, and 376.1218.4 and .5, RSMo, and 20 CSR 400-2.170(3)(B), (4)(C)3.C. and (4)(E).

2. In some instances, Blue Advantage improperly reduced or underpaid claims before paying them, in that it paid the claims at a rate less than the amount billed, in violation of §§160.900, 208.144, 376.1218.4 and .5, RSMo, and 20 CSR 400-2.170(3)(B) and (4)(E).

3. In some instances, Blue Advantage improperly delayed payment to the providers of First Steps claims, in violation of §§375.1007(11), 376.383.10, 376.1218, RSMo, and 20 CSR 400-2.170(3) and (4)(C)3.C.

4. In one instance, Blue Advantage failed to timely and completely respond to the examiners' requests for information, thereby violating §374.205.2(2), RSMo, and 20 CSR 100-8.040.

WHEREAS, Blue Advantage hereby agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those corrective actions at all times to assure that the errors noted in the above-referenced market conduct examination reports do not recur, including, but not limited to, taking the following actions:

1. Blue Advantage agrees to take corrective action to assure that the errors noted in the above-referenced market conduct examination reports do not recur;

2. Blue Advantage agrees to review all First Steps claims dated January 1, 2006, to the date a final Order is entered closing this examination, to assure that the claim was properly adjudicated and correctly paid, in accordance with §376.1218, RSMo. If the claim was not properly adjudicated, Blue Advantage agrees to reopen and reprocess the claim. If the claim should have been paid, the Company will issue any payments that are due to the claimant, bearing in mind that an additional payment of one per cent (1%) interest per month is also required, per §376.384, RSMo, for any delayed payments from the date the claim was first received with a letter stating that the payments are being made "as a result of a Missouri Market Conduct examination." Additionally, evidence should be provided to the Department within 90 days of the date a final Order is entered closing this examination that such notice has been sent to the claimants.

3. Blue Advantage agrees to file documentation of all remedial actions taken by it to implement compliance with the terms of this Stipulation of Settlement and to assure that the errors noted in the examination report do not recur, including explaining the steps taken and the results of such
actions, with the Director within 90 days of the entry of a final Order closing this examination.

WHEREAS, Blue Advantage neither admits nor denies the findings or violations set forth above and enumerated in the examination report; and

WHEREAS, Blue Advantage is of the position that this Stipulation of Settlement and Voluntary Forfeiture is a compromise of disputed factual and legal allegations, and that payment of a forfeiture is merely to resolve the disputes and avoid litigation; and

WHEREAS, Blue Advantage, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to the above referenced Market Conduct Examination; and

WHEREAS, Blue Advantage hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Examination #0903-12-TGT further agrees, voluntarily and knowingly to surrender and forfeit the sum of $2,700.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of Blue Advantage to transact the business of insurance in the State of Missouri or the imposition of other sanctions, Blue Advantage does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director and does surrender and forfeit the sum of $2,700, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: 9-23-10

[Signature]

President

Trisource Healthcare Inc. d/b/a Blue Advantage