



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690. Jefferson City, Mo. 65102-0690

In Re:)
)
COX HEALTH SYSTEMS INSURANCE) **Market Conduct Investigation No. 391682**
COMPANY (NAIC #60040))

ORDER OF THE DIRECTOR

NOW, on this 6th day of March, 2023, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”), and Cox Health Systems Insurance Company (NAIC # 60040) (hereinafter “CHSIC”), relating to the market conduct investigation no. 391682, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 is in the public interest.

IT IS THEREFORE ORDERED that CHSIC and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that CHSIC shall not engage in any of the violations of statutes and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

IT IS FURTHER ORDERED that CHSIC shall pay, and the Department of Commerce

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$3,500, payable to the Missouri State School Fund.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 6th day of March, 2023.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

In Re:)
)
COX HEALTH SYSTEMS INSURANCE) **Market Conduct Investigation No. 391682**
COMPANY (NAIC # 60040))

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Cox Health Systems Insurance Company (hereinafter “CHSIC”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Commerce and Insurance (hereinafter 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 of Missouri;

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

WHEREAS, the Division conducted a market conduct investigation of CHSIC, Investigation No. 391682; and

WHEREAS, based on the market conduct investigation of CHSIC the Division alleges that:

1. CHSIC did not provide a comprehensive list of utilization review agents to which it delegated utilization review activities in its annual report of utilization review activities filed in 2020, 2021 and 2022, in violation of §376.1359.2¹ and 20 CSR 400-10.020 (1) (B).

2. CHSIC provided inaccurate information in its utilization review reports filed with the Director in 2020 and 2021 and in its February 15, 2021 investigation response when it failed to identify CHP, AMR, AllMed and Elixir as utilization review agents, in violation of §374.210.1 (2).

3. CHSIC materially aided AllMed and Elixir to perform utilization review services without a Missouri URA certificate, in violation of §374.503.1.

4. CHSIC did not ensure that appropriate personnel had operational responsibility for the conduct of its utilization review program by delegating such services to unlicensed entities, in violation of §376.1353.

5. CHSIC did not file a signed certificate of compliance for the years 2019, 2020 and 2021, in violation of §376.1369 and 20 CSR 400-10.020 (2).

WHEREAS, the Division and CHSIC have agreed to resolve the issues raised in the market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. **Remedial Action.** CHSIC agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include the following:

1. CHSIC agrees to file corrected annual utilization review reports in SERFF for the years 2020, 2021 and 2022 which include CHP, AMR, AllMed and Elixir, and to file full and complete reports each year beginning in 2023.

2. CHSIC agrees to take measures to ensure that the information it provides to the Department and any of its Divisions in filings or in connection with future exams or investigations is complete and accurate.

¹ All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri.

3. CHSIC agrees that it will not delegate utilization review activities, as defined in §376.1350 (34) to entities not possessing a utilization review certificate from the Department.

4. CHSIC agrees to file a signed annual certificate of compliance with the Department as required by §376.1369 and 20 CSR 400-10.020 (2) for 2020, 2021, 2022 and for all years going forward.

C. **Compliance.** CHSIC agrees to file documentation pursuant to section 374.190 with the Division, in a format acceptable to the Division, within 30 days of the entry of an Order approving this Stipulation, of any remedial action taken to implement compliance with the terms of this Stipulation.

D. **Voluntary Forfeiture.** CHSIC agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$3,500, such sum payable to the Missouri State School Fund, in accordance with §§374.049.11 and 374.280.2.

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by CHSIC, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

F. **Waivers.** CHSIC, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the market conduct investigation no. 391682.

G. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by authorized representatives of the Division and CHSIC.

H. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

I. **Authority.** The signatories below represent, acknowledge and warrant that they are

authorized to sign this Stipulation, on behalf of the Division and CHSIC, respectively.

J. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.

K. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director of the Department (hereinafter “Director”) approving this Stipulation.

L. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: February 21, 2023



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 2/20/2023



Matthew Aug, President
Cox Health Systems Insurance Company