

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION  
STATE OF MISSOURI**

**In Re:** )  
)  
**AETNA LIFE INSURANCE COMPANY** )  
**(NAIC # 60054)** ) **Market Conduct Examination 1308-18-TGT**  
) **Market Conduct Examination 1308-19-TGT**  
**AETNA HEALTH INSURANCE** ) **Market Conduct Examination 1003-04-TGT**  
**COMPANY (NAIC # 72052)** ) **Market Conduct Examination 1308-16-TGT**  
) **Market Conduct Examination 1003-01-TGT**  
**AETNA DENTAL, INC.** ) **Market Conduct Investigation 284164**  
**(NAIC #95910)** ) **Market Conduct Examination 1003-07-TGT**  
) **Market Conduct Examination 1003-09-TGT**  
**AETNA HEALTH AND LIFE** )  
**INSURANCE COMPANY (NAIC #78700)** )  
)  
**AETNA HEALTH, INC. (NAIC #95109)** )  
)  
**COVENTRY HEALTH AND LIFE** )  
**INSURANCE COMPANY (NAIC #81973)** )  
)  
**COVENTRY HEALTH CARE OF** )  
**MISSOURI, INC. (NAIC #96377)** )  
)  
**COVENTRY HEALTH CARE OF** )  
**KANSAS, INC. (NAIC #95489)** )

**ORDER OF THE DIRECTOR**

NOW, on this 30<sup>th</sup> day of December, 2016, Director John M. Huff, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division") and Aetna Life Insurance Company (NAIC #60054), Aetna Health Insurance Company (NAIC #72052), Aetna Dental, Inc. (NAIC #95910), Aetna Health and Life Insurance Company (NAIC #78700), Aetna Health, Inc. (NAIC #95109), Coventry Health and Life Insurance Company (NAIC #81973), Coventry Health Care of Missouri, Inc., (NAIC #96377), and Coventry Health Care of Kansas, Inc. (NAIC #95489) (hereinafter referred to collectively as the "Aetna and Coventry Companies"), relating

to the market conduct examinations and investigations set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.205.2(5) RSMo 2000 and §374.046.15. RSMo (Cum. Supp. 2013), is in the public interest.


**IT IS THEREFORE ORDERED** that the Aetna and Coventry Companies and the Division of Insurance Market Regulation having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

**IT IS FURTHER ORDERED** that the Aetna and Coventry Companies shall not engage in any of the practices outlined in the Stipulation and shall implement procedures to place each company in full compliance with the requirements in the Stipulation and to maintain those remedial actions at all times.

**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 30 day of December, 2016.



  
\_\_\_\_\_  
John M. Huff  
Director

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION  
STATE OF MISSOURI**

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|---|---|
| <b>In Re:</b>   | )   |
|   | )   |
| <b>AETNA LIFE INSURANCE COMPANY<br/>(NAIC # 60054)</b>              | ) <b>Market Conduct Examination 1308-18-TGT</b> |
|   | ) <b>Market Conduct Examination 1308-19-TGT</b> |
| <b>AETNA HEALTH INSURANCE<br/>COMPANY (NAIC # 72052)</b>            | ) <b>Market Conduct Examination 1003-04-TGT</b> |
|   | ) <b>Market Conduct Examination 1308-16-TGT</b> |
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| <b>AETNA DENTAL, INC.<br/>(NAIC #95910)</b>                         | ) <b>Market Conduct Investigation 284164</b>    |
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| <b>AETNA HEALTH AND LIFE<br/>INSURANCE COMPANY (NAIC #78700)</b>    | )   |
|   | )   |
| <b>AETNA HEALTH, INC. (NAIC #95109)</b>                             | )   |
|   | )   |
| <b>COVENTRY HEALTH AND LIFE<br/>INSURANCE COMPANY (NAIC #81973)</b> | )   |
|   | )   |
| <b>COVENTRY HEALTH CARE OF<br/>MISSOURI, INC. (NAIC #96377)</b>     | )   |
|   | )   |
| <b>COVENTRY HEALTH CARE OF<br/>KANSAS, INC. (NAIC #95489)</b>       | )   |

**STIPULATION OF SETTLEMENT**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter "the Division"), Aetna Life Insurance Company (NAIC # 60054), Aetna Health Insurance Company (NAIC #72052), Aetna Dental, Inc. (NAIC #95910), Aetna Health and Life Insurance Company (NAIC #78700), Aetna Health, Inc. (NAIC #95109), Coventry Health and Life Insurance Company (NAIC #81973), Coventry Health Care of Missouri, Inc. (NAIC #96377), and Coventry Health Care of Kansas, Inc. (NAIC #95489) (hereinafter referred to collectively as the "Aetna and Coventry Companies") as follows:

WHEREAS, the Division is a unit of the Missouri Department of Insurance, Financial Institutions and Professional Registration (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 in Missouri.

WHEREAS, the Aetna and Coventry Companies have been granted certificates of

authority to transact the business of insurance in the State of Missouri.

WHEREAS, the Division conducted Market Conduct Examinations and an Investigation of the Aetna and Coventry Companies.

WHEREAS, investigation revealed that the Aetna and Coventry Companies entered into Billing Service Agreements (defined below) with employer groups in Missouri that allowed the Aetna and Coventry Companies to collect producer service fees, along with insurance premiums and remit the producer servicing fees to the producer of record. (hereinafter "Broker Pass-Through Process") Such producer service fees were not reported or included as premium for premium tax computation.

WHEREAS, the Division and the Aetna and Coventry Companies have agreed to resolve the above captioned examinations and investigation upon the following terms:

A. **Scope of Agreement.** This Stipulation of Settlement (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.** The Aetna and Coventry Companies agree to take remedial action to resolve concerns of the Division and agree to maintain such remedial actions at all times. The remedial actions shall include the following:

- 1) The Aetna and Coventry Companies shall determine and certify to the Division the date they began to use the Broker Pass-Through Process.
- 2) The Aetna and Coventry Companies shall pay premium taxes owed to the State of Missouri for producer service fees collected by the Aetna and Coventry Companies and remitted to the producer of record pursuant to Billing Service Agreements or other agreements performing the same function of collecting producer service fees and remitting them to the producer of record ("Billing Service Agreements") from the date Aetna and Coventry Companies began to use the Broker Pass-Through Process until the date of the Order issued by the Director in this matter.
- 3) The Aetna and Coventry Companies shall report as premium, for purposes of premium tax reporting, all producer service fees collected by the Aetna and Coventry Companies and remitted to the producer of record pursuant to Billing

Service Agreements commencing on the date of the Order issued by the Director in this matter.

C. **Compliance.** The Aetna and Coventry Companies agree to file documentation with the Division within 90 days of the entry of the Order issued by the Director in this matter that the actions described in paragraphs B.1 and B.2 of this Stipulation have been completed in accordance with the terms of this Stipulation.

D. **Waivers.** The Aetna and Coventry Companies, 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, and for review or appeal by any trial court or appellate court, which may have otherwise applied to the above captioned examinations and investigation.

E. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by all signatories to the Stipulation.

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

G. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign the Stipulation.

H. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute a single document.


I. **Electronic Signatures.** This Stipulation may be executed in electronic format, and each electronic signature shall be deemed to be effective by the parties.

J. **Effect of Stipulation.** The Stipulation shall not become effective until entry of a Final Order of the Director approving the Stipulation.

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

Corrective Action Plan, and consent to the issuance of such Order.

DATED: 12/30/2016

  
\_\_\_\_\_  
Angela Nelson  
Director, Division of Insurance  
Market Regulation

DATED: 12/30/16

  
\_\_\_\_\_  
Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation

DATED: \_\_\_\_\_

\_\_\_\_\_  
Mark T. Bertolini  
President  
Aetna Life Insurance Company

DATED: \_\_\_\_\_

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Angela R. Meoli  
President  
Aetna Health Insurance Company

DATED: \_\_\_\_\_

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Joel D. Hodge  
President  
Aetna Dental, Inc.

DATED: \_\_\_\_\_


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Sheryl Burke Adkins  
President  
Aetna Health and Life Insurance Company

DATED: \_\_\_\_\_

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Angela Nelson  
Director, Division of Insurance  
Market Regulation

DATED: \_\_\_\_\_

\_\_\_\_\_  
Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation



12/30/16

DATED: \_\_\_\_\_

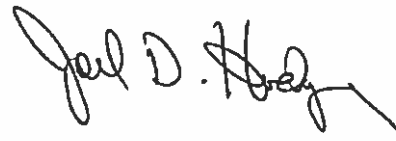
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Mark T. Bertolini  
President  
Aetna Life Insurance Company



12/30/16

DATED: \_\_\_\_\_

\_\_\_\_\_  
Angela R. Meoli  
President  
Aetna Health Insurance Company



12/30/16

DATED: \_\_\_\_\_

\_\_\_\_\_  
Joel D. Hodge  
President  
Aetna Dental, Inc.



12/30/16

DATED: \_\_\_\_\_

\_\_\_\_\_  
Sheryl Burke Adkins  
President  
Aetna Health and Life Insurance Company




DATED: 12/30/16 \_\_\_\_\_

\_\_\_\_\_  
Angela R. Meoli  
President  
Aetna Health, Inc.



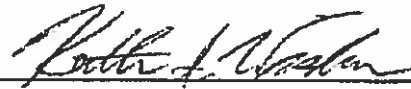
DATED: 12/30/16 \_\_\_\_\_

\_\_\_\_\_  
Michael D. Bahr  
President  
Coventry Health and Life Insurance Company



DATED: 12/30/16 \_\_\_\_\_

\_\_\_\_\_  
Frank J. D'Antonio  
President  
Coventry Health Care of Missouri, Inc.



DATED: 12/30/16 \_\_\_\_\_

\_\_\_\_\_  
Keith I. Wisdom  
President  
Coventry Health Care of Kansas, Inc.



DATED: 12/30/16 \_\_\_\_\_

\_\_\_\_\_  
Michael Portnoy  
Legal Counsel for the  
Aetna and Coventry Companies