

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

**In Re:** )  
 ) **Market Conduct Investigation**  
**HUMANA INSURANCE COMPANY** ) **Number 13138-73288-LH**  
**(NAIC #73288)** )

**ORDER OF THE DIRECTOR**

NOW, on this 30 day of December, 2014, Director John M. Huff, after consideration and review of the market conduct investigation of Humana Insurance Company (NAIC #73288) (hereafter referred to as "Humana") investigation number 13138-73288-LH, conducted by the Division of Insurance Market Regulation pursuant to §374.190<sup>1</sup> and the Stipulation of Settlement ("Stipulation"), does hereby issue the following orders:

This order, issued pursuant to §374.046.15, RSMo (Cum. Supp. 2013) and §374.280 is in the public interest.

IT IS THEREFORE ORDERED that Humana 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 Humana shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place Humana 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.

IT IS FURTHER ORDERED that Humana shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept,

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<sup>1</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2000, as amended.

the Voluntary Forfeiture of \$161,800, 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 30<sup>TH</sup> day of DECEMBER, 2014.



  
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John M. Huff  
Director

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MO. DEPT. OF INSURANCE,  
FINANCIAL INSTITUTIONS &  
PROFESSIONAL REGISTRATION

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

**In Re:** )  
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**HUMANA INSURANCE COMPANY** ) **Market Conduct Investigation**  
**(NAIC # 73288)** ) **Number 13138-73288-LH**  
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**STIPULATION OF SETTLEMENT  
AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Humana Insurance Company (NAIC #73288) (hereinafter referred to as “Humana”), 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; and

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

WHEREAS, the Division conducted a Market Conduct Investigation of Humana; and

WHEREAS, the investigation revealed that:

1. Correspondence was sent by Humana to 1618 members that contained the following statements:

a) “Due to Missouri legislation, Humana is required to terminate your current policy on 12/31/13 and replace it with a new policy with 2014 ACA benefits starting January 1, 2014;” and

b) The 2014 ACA compliant policy and premium has been filed with your state’s Department of Insurance (DOI) and is subject to the DOI approval. We must inform you that if the DOI does not provide us with the required approval of our policy and

premium by November 15, 2013 we will have no other choice but to terminate your coverage as of 12/31/13.”

The Division alleges that these statements were untrue, deceptive or misleading in violation of §375.936 (4)<sup>1</sup>, misrepresented the benefits, advantages, conditions or terms of policies in violation of §375.936 (6) (a), and misrepresented material facts in violation of §375.144;

WHEREAS, Humana asserts that these statements contained incorrect language in that paragraph 1.a) of the letter in lieu of the words “Missouri legislation” it should have stated “as prescribed by the Affordable Care Act” and in paragraph 1.b) the words “and premium” should not have been included in either place. These statements were untrue in violation of section 375.936 (4), but were not intended to mislead or deceive policyholders.

WHEREAS, the Division and Humana 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 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.** Humana has taken action bringing it into compliance with the statutes and regulations of Missouri by sending follow-up communications to its members correcting the misinformation contained in its initial correspondence.

C. **Voluntary Forfeiture.** Humana agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$161,800, such sum payable to the Missouri State School Fund, in accordance with §374.049 and §374.280 RSMo Supp. 2013.

D. **Other Penalties.** The Division agrees that it will not seek penalties against Humana, other than those agreed to in this Stipulation of Settlement and Voluntary Forfeiture, for the conduct found in Market Conduct Investigation 13138-73288-LH.

E. **Waivers.** Humana, after being advised by legal counsel, does hereby voluntarily and

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<sup>1</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2000, as amended.

knowingly waive any and all rights for 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 above referenced Market Conduct Investigation.

F. **Changes.** No changes to this Stipulation of Settlement and Voluntary Forfeiture shall be effective unless made in writing and agreed to by all signatories to the stipulation.

G. **No Admission.** Nothing in this Stipulation of Settlement and Voluntary Forfeiture shall be deemed an admission for any purpose.

H. **Governing Law.** This Stipulation of Settlement and Voluntary Forfeiture 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 of Settlement and Voluntary Forfeiture.

J. **Effect of Stipulation.** This Stipulation of Settlement and Voluntary Forfeiture shall not become effective until entry of a Final Order by the Director of the Department of Insurance, Financial Institutions and Professional Registration (hereinafter the "Director") approving this Stipulation.

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


DATED: 12/30/2014

  
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Angela Nelson  
Director, Division of Insurance  
Market Regulation

DATED: 12/30/2014

  
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Stewart Freilich  
Senior Regulatory Affairs Counsel  
Attorney for Division of Market Regulation

DATED: 12/18/14

  
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President, HumanaOne  
Vice President, Humana Insurance Company