



**DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

TO: Office of the President  
Great-West Life & Annuity Insurance Co.  
P.O. Box 1080  
Denver, CO 80201

RE: Missouri Market Conduct Examination #0501-01-LAH  
Great-West Life & Annuity Insurance Co. (NAIC #68322)

**STIPULATION OF SETTLEMENT**  
**VOLUNTARY FORFEITURE AND ORDER OF DIRECTOR**

It is hereby stipulated and agreed by W. Dale Finke, Director of the Missouri Department of Insurance, Financial Institutions, and Professional Registration, hereinafter referred to as "Director" or "the Department," and Great-West Life & Annuity Insurance Company., hereinafter referred to as "Great-West," as follows:

WHEREAS, W. Dale Finke is the Director of the Department of Insurance, Financial Institutions, and Professional Registration, 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; and

WHEREAS, Great-West has been granted certificate(s) of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Examination of Great-West and prepared report number 0305-21-LAH; and

WHEREAS, the report of the Market Conduct Examination has revealed that:

1. In some instances, Great-West's advertising contained misleading information, failed to identify the source of statistical information and the policy form used in connection with the rates referenced in some of its ads, thereby violating §§148.390.2, 376.936(6), RSMo, and Missouri Regulation 20 CSR 400-5.700(4), (5), and (8)(C).
2. In some instances, Great-West did not address certain requirements regarding emergency services in its description of its Healthcare 2005 Care Management Program Workplan for Missouri, thereby violating §376.1367(3), RSMo.
3. In some instances, Great-West failed to issue confirmation of receipt of some of its electronically filed healthcare claims within one working day after receipt, as required by §376.383.1(4), RSMo.
4. In some instances, Great-West failed to accept or send notice of the receipt and status of some of its electronically filed healthcare claims within 15 working days after receipt, as required by §376.383.3, RSMo.
5. In some instances, Great-West failed to pay some of its cancer screening, pap smear, mammogram, PSA, and emergency room claims within 45 days from the original date of receipt, as required by §376.383.5, RSMo.
6. In some instances, Great-West failed to properly investigate some of its cancer screening, pap smear, mammogram, PSA, and emergency room claims before denying them, thereby violating §§375.1007(3) and (6), and 376.383.4, RSMo.
7. In some instances, Great-West failed to properly investigate and adjudicate some of its cancer screening, pap smear, mammogram, PSA, and emergency room claims when submitted, and did not have procedures in place to prevent the cited improper claims practices, thereby violating §§375.1007(3) and (6), and 376.383.4, RSMo.
8. In some instances, Great-West failed to respond to the MDI within 20 days of some complaints' postmarks, as required by Missouri Regulation 20 CSR 100-4.100(2)(A).
9. In some instances, Great-West failed to make a determination within two working days of obtaining all of the necessary information regarding some of its claims, as required by §376.1363.2, RSMo, and failed to notify some providers within one working day of the results of its reconsideration of certain adverse determinations, as required by §376.1365.2, RSMo.
10. In some instances, Great-West failed to follow some of its own written guidelines regarding unclaimed property and exercise due diligence in locating individuals or entitled due monies before escheating the funds to the state treasurer, thereby violating §447.539.5 and .7, RSMo.
11. In some instances, Great-West failed to respond to some of the examiners' criticisms and formal requests within the required time frame set forth in §374.205.2(2), RSMo, and Missouri Regulation 20 CSR 300-2.200(6).

WHEREAS, Great-West hereby agrees to take remedial action bringing Great-West into compliance with the statutes and regulations of the State of Missouri and agrees to maintain those corrective actions at all times, including, but not limited to, taking the following actions:

1. The Company agrees to take corrective action to assure that the errors noted in the above-referenced market conduct examination report do not recur; and

2. The Company agrees to review all electronically filed healthcare claims filed between January 1, 2002, and the date on which an Order finalizing this exam is entered, that were paid after 45 days of receipt and send interest payments to the claimants pursuant to §376.383.5, RSMo, with a letter stating that "interest payments are made due to market conduct exam findings of the MO DIFP," and, further, to provide to the Department documentary evidence that such payments have been made within 90 days of the date that an Order finalizing this report is signed by the Director.

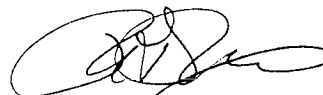
WHEREAS, Great-West, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to the above referenced Market Conduct Examination; and

WHEREAS, Great-West hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Examination # 0501-01-LAH further agrees, voluntarily and knowingly to surrender and forfeit the sum of \$61,534.90.

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 Great-West to transact the business of insurance in the State of Missouri or the imposition of other sanctions, Great-West 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 \$61,534.90, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

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

11/13/06



\_\_\_\_\_  
Executive Vice President, Employee Benefits  
The Great-West Life & Annuity Insurance Company