IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI

In Re: )
)
FIRST HEALTH LIFE & HEALTH ) Market Conduct Investigation No. 358319
INSURANCE COMPANY (NAIC #90328))

ORDER OF THE DIRECTOR

NOW, on this 30th day of October, 2020, 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 First Health Life & Health Insurance Company (NAIC #90328) (hereinafter “First Health”), relating to the market conduct investigation no. 358319, does hereby issue the following orders:

This order, issued pursuant to §374.046.15 and §374.280 is in the public interest.

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

IT IS FURTHER ORDERED that First Health shall not engage in any of the violations of law 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 First Health shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of $3,000.00, 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 30th day of October, 2020.

Chlora Lindley-Myers
Director

1 All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended.
IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI

In Re: )
) )
FIRST HEALTH LIFE & HEALTH ) Market Conduct Investigation No. 358319
INSURANCE COMPANY (NAIC #90328))

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and First Health Life & Health Insurance Company (NAIC #90328) (hereinafter “First Health”), 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, First Health 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 First Health, investigation no. 358319; and

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

1. For reporting years 2019 and 2020, First Health did not include accurate lists of the utilization review agents to which it delegates utilization review activities in its annual report filed with the Department in violation of §376.1359\(^1\) and 20 CSR 400-10.020 (1)(B).

2. First Health provided incorrect and inaccurate information to the Department in

\(^1\) All references, unless otherwise noted, are to Revised Statutes of Missouri 2016, as amended.

WHEREAS, the Division and First Health 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.** First Health 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, but are not limited to, the following:

1. First Health has represented that it has filed corrected utilization review reports with the Department. First Health agrees that it will adopt and implement procedures to ensure that future reports filed with the Department include accurate lists of its utilization review agents.

2. First Health agrees that it will provide complete and accurate information to the Department in response to future inquiries, investigations, or examinations.

C. **Compliance.** First Health agrees to file documentation with the Division, in a format acceptable to the Division, within 20 days of the entry of a final order of any remedial action taken to implement compliance with the terms of this Stipulation.

D. **Voluntary Forfeiture.** First Health agrees, voluntarily and knowingly, to surrender and forfeit the sum of $3,000 such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.
E. **Other Penalties.** The Division agrees that it will not seek penalties against First Health, other than those agreed to in this Stipulation, in connection with the above referenced market conduct investigation.

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

G. **Waivers.** First Health, 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 review or appeal by any trial or appellate court, which may have otherwise applied to the market conduct investigation no. 358319.

H. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and First Health.

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

J. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and First Health respectively.

K. **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.

L. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director approving this Stipulation.

M. **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: **10/28/2020**

[Signature]

Stewart Freilich
Chief Market Conduct Examiner and Senior Counsel
Division of Insurance Market Regulation

DATED: **10/16/20**

[Signature]

Gregory S. Martino, Director
[NAME AND TITLE]
First Health Life & Health Insurance Company