In Re: )
)
HEALTHY ALLIANCE LIFE INSURANCE ) Market Conduct Investigation No. 344246
COMPANY (NAIC #78972) )

ORDER OF THE DIRECTOR

NOW, on this 24th day of August, 2021, 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 Healthy Alliance Life Insurance Company (NAIC #78972) (hereinafter “HALIC”), relating to the market conduct investigation no. 344246, 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 HALIC and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that HALIC 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.

1 All references, unless otherwise noted, are to Revised Statutes of Missouri 2016, as amended, or to the Code of State Regulations, 2020, as amended.
IT IS FURTHER ORDERED that HALIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of $1,000.00, 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 2nd day of August, 2021.

Chlora Lindley-Myers
Director
IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI

In Re: ) )
HEALTHY ALLIANCE LIFE INSURANCE COMPANY (NAIC #78972) ) Market Conduct Investigation No. 344246

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and Healthy Alliance Life Insurance Company (hereinafter “HALIC”), 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, HALIC performs utilization review for its managed care plans in the State of Missouri;

WHEREAS, the Division conducted a market conduct investigation of HALIC, investigation no. 344246; and

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

1. In four instances, HALIC did not provide an appeal acknowledgment letter to enrollees acknowledging the receipt of their appeal in violation of §376.1382.2(1)¹.

2. In 28 instances, HALIC failed to provide timely appeal acknowledgment

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended or to the Code of State Regulations, 2020, as amended.
notifications of first and second level appeals in violation of §376.1382.2(1) and §376.1385.3.

3. In 27 instances, HALIC failed to provide timely appeal outcome letters of first and second level appeals in violation of §376.1382.2(3) and §376.1385.3.

4. In 27 instances, HALIC failed to send notice in writing to the enrollee when the investigation of the appeal could not be completed within 20 working days after receipt in violation of §376.1382.2(2).

5. In 21 instances, HALIC’s appeal procedures, as implemented, did not provide for prompt investigation of appeals in violation of §375.1007(3) and §375.1005.

6. In 23 instances, HALIC failed to acknowledge with reasonable promptness pertinent communications related to claims in violation of §375.1007(2) and §375.1005.

WHEREAS, the Division and HALIC 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.** HALIC agrees to take remedial action designed to bring 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. HALIC agrees to conduct appeals timely in accordance with §376.1382.2(3) and §376.1385.3.

2. HALIC agrees to promptly acknowledge appeal requests in compliance with §376.1382.2(1).
3. If an investigation cannot be completed within 20 working days after receipt of a grievance, HALIC agrees to send notice to enrollees setting forth the reasons for which additional time is needed for the investigation in compliance with §376.1382.2(2).

4. HALIC agrees to process appeal requests in accordance with their certificate and policy provisions.

5. HALIC agrees to ensure that their appeal procedures and the implementation of such procedures comply with Missouri’s requirements.

6. HALIC further agrees not to delay the settlement of claims by failing to promptly review or acknowledge appeals.

C. Compliance. HALIC agrees to file documentation with the Division, in a format acceptable to the Division, within 60 days of the entry of a final order of any remedial action taken to implement compliance with the terms of this Stipulation.

D. Fees. HALIC agrees to pay any reasonable fees expended by the Division in conducting its review of the documentation provided by the Company pursuant to Paragraphs B and C of this Stipulation.

E. Voluntary Forfeiture. HALIC agrees, voluntarily and knowingly, to surrender and forfeit the sum of $1,000; such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

F. Non-Admission. Nothing in this Stipulation shall be construed as an admission by HALIC, 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. HALIC, 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. 344246.

H. **Enforcement.** In any administrative or legal action brought by the Division to enforce this Stipulation or the Order approving this Stipulation, HALIC may present evidence of any and all efforts it has taken to comply with the terms of this Stipulation and the Order.

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

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

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

L. **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.

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

N. **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: 7/28/2021

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

DATED: 7/28/2021

C. Morgan Kendrick
SVP, President, Commercial West Markets
Healthy Alliance Life Insurance Company