

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

**In Re:** )  
 )  
**AETNA LIFE INSURANCE COMPANY** )  
**(NAIC # 60054)** ) **Case No. 120730479C**  
 )  
**AETNA HEALTH INSURANCE** )  
**COMPANY (NAIC # 72052)** )

**ORDER OF THE DIRECTOR**

NOW, on this 15<sup>th</sup> day of MAY, 2015, Director John M. Huff, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture entered into between the Division of Insurance Market Regulation and Aetna Life Insurance Company (NAIC #60054) and Aetna Health Insurance Company (NAIC #72052) (hereafter referred to collectively as “Aetna”), on September 25, 2012 in Case Number 120730479C (hereinafter “2012 Stipulation”), the Order of the Director entered on September 26, 2012 in the matter of Aetna Life Insurance Company and Aetna Health Insurance Company, Case Number 120730479C (hereinafter “2012 Order”) , and the Stipulation of Settlement for Violation of an Order of the Director entered into between the Division and Aetna on May 7, 2015 (hereinafter “2015 Stipulation”), does hereby issue the following orders:

This order, issued pursuant to §374.046 and §374.280 RSMo (Cum. Supp. 2013) is in the public interest.

IT IS THEREFORE ORDERED that Aetna and the Division of Insurance Market Regulation having agreed to the 2015 Stipulation, the Director does hereby approve and agree to the 2015 Stipulation.

IT IS FURTHER ORDERED that Aetna shall not engage in any of the violations of law and regulations set forth in the 2012 Stipulation and in the 2015 Stipulation, and shall implement procedures to place Aetna in full compliance with the statutes and regulations of the State of Missouri, and the requirements of: 1) The 2012 Stipulation, 2) The 2012 Order, 3) The 2015 Stipulation; and 4) This Order, and to maintain those remedial actions at all times.

IT IS FURTHER ORDERED that Aetna shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the voluntary forfeiture of four million, five hundred thousand dollars (\$4,500,000), pursuant to §374.046 and §374.280 (Cum. Supp. 2013).

IT IS FURTHER ORDERED that payment of one million, five hundred thousand dollars (\$1,500,000) of the above amount is suspended pursuant to the terms of the 2015 Stipulation.

IT IS FURTHER ORDERED that Aetna's certificates of authority to engage in the business of insurance in the State of Missouri may be suspended for a period not to exceed one (1) year at the sole discretion of the Director, in accordance with the terms of the 2015 Stipulation, pursuant to §374.046.16 RSMo (Cum. Supp. 2013), for the violation of the provisions of the 2012 Order requiring Aetna to cease and desist from engaging in any of the violations of law set forth in the 2012 Stipulation.

IT IS FURTHER ORDERED that the imposition of the suspension set forth above is suspended pursuant to the terms of the 2015 Stipulation.

IT IS FURTHER ORDERED that unless and until the Director imposes a suspension pursuant to the terms of this Order and pursuant to Paragraph C. 3. of the 2015 Stipulation, each Aetna entity shall remain in good standing in Missouri. Each Aetna entity shall remain fully authorized to conduct the business of insurance within the state and shall maintain a certificate of authority that is not, and shall not be deemed to be, impaired, restricted, suspended or disqualified in any way.

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 15<sup>th</sup> day of MAY, 2015.



  
John M. Huff  
Director

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

<b>In Re:</b>	)	
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<b>AETNA LIFE INSURANCE COMPANY</b>	)	
<b>(NAIC # 60054)</b>	)	<b>Case No. 120730479C</b>
	)	
<b>AETNA HEALTH INSURANCE</b>	)	
<b>COMPANY (NAIC # 72052)</b>	)	

**STIPULATION OF SETTLEMENT  
FOR VIOLATION OF AN ORDER OF THE DIRECTOR**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”), Aetna Life Insurance Company (NAIC #60054), and Aetna Health Insurance Company (NAIC #72052) (hereinafter referred to collectively as “Aetna”) 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, Aetna has been granted certificates of authority to transact the business of insurance in the State of Missouri.

WHEREAS, on September 25, 2012 Aetna entered into a Stipulation of Settlement and Voluntary Forfeiture with the Division (hereinafter “2012 Stipulation”).

WHEREAS, in the 2012 Stipulation, Aetna admitted that it violated §376.805 RSMo. (Cum. Supp. 2011) in that claims for elective abortion were routinely, and as a business practice, paid under policies of insurance issued in the State of Missouri, until August 1, 2012. Those claims were paid under policies that did not have a separate, optional rider for coverage of elective abortion and for which no additional premium was paid.

WHEREAS, in the 2012 Stipulation, Aetna further admitted that under Aetna’s claims policy, claims for facility and professional charges related to elective abortion were paid where the enrollee’s health plan includes maternity benefits, when the service was performed by a

qualified physician, and where there was no elective abortion exclusion specifically noted in the policy.

WHEREAS, in the 2012 Stipulation, Aetna also admitted that on or after September 28, 1983, Aetna entered into health insurance contracts and plans and issued and delivered policies in Missouri that provide coverage for elective abortion without an optional rider for which there is paid an additional premium, in violation of §376.805.1 RSMo. (Cum. Supp. 2011).

WHEREAS, in the 2012 Stipulation, Aetna admitted that group insurance policies issued in Missouri and policies of insurance issued in other states but covering Missouri residents specified that the coverage for applied behavioral analysis and for therapies for the treatment of delays in development for diagnoses such as pervasive developmental disorders including autism was excluded.

WHEREAS, in the 2012 Stipulation, Aetna further admitted that on or after January 1, 2011, Aetna delivered, issued for delivery, continued or renewed health benefit plans in Missouri and issued certificates of coverage to Missouri residents covered under health benefit plans issued in other states that stated coverage was excluded for the diagnosis and treatment of autism spectrum disorders in violation of §376.1224.2 RSMo. (Cum. Supp. 2011).

WHEREAS, in the 2012 Stipulation, Aetna agreed that they would not deliver, issue for delivery, continue or renew health insurance contracts, plans or policies delivered or issued for delivery in the State of Missouri providing coverage for elective abortion except by an optional rider for which there must be paid an additional premium as required by §376.805.1 RSMo. (Cum. Supp. 2011);

WHEREAS, in the 2012 Stipulation, Aetna agreed to notify in writing all enrollees of group health benefit plans that were delivered, issued for delivery, continued or renewed on or after January 1, 2011, written inside the State of Missouri or written outside the State of Missouri, but insuring Missouri residents, that they were legally entitled to coverage for the diagnosis and treatment of autism spectrum disorders. The written communications were to invite any enrollee who underwent or whose covered dependent underwent diagnosis and treatment of autism spectrum disorders since January 1, 2011 to file a claim, if they had not already done so, with Aetna for such treatment. Aetna further agreed to review such claims received and pay those claims as required by §376.1224 RSMo. (Cum. Supp. 2011). Aetna also

agreed to review all claims for the treatment of autism spectrum disorders that were received by the Company since January 1, 2011 and to pay those claims as required by §376.1224 RSMo. (Cum. Supp. 2011).

WHEREAS, in the 2012 Stipulation, Aetna, by way of mitigation, agreed to undertake a full and complete audit of its compliance with all Missouri mandates and to provide a report of its findings to the Department within 60 days of the completion of the audit.

WHEREAS, on September 26, 2012, the Director of the Department of Insurance, Financial Institutions and Professional Registration (hereinafter "Director") entered an Order (hereinafter "2012 Order"), pursuant to §374.046.15 and 374.280 RSMo. (Cum. Supp. 2011), approving and agreeing to the terms of the 2012 Stipulation, ordering Aetna not to engage in any of the violations of law set forth in the Stipulation, and ordering Aetna to implement procedures to place the Company in full compliance with the requirements in the Stipulation and to maintain the remedial actions set forth in the Stipulation at all times.

WHEREAS, Aetna admits that it has violated the 2012 Stipulation and the 2012 Order of the Director in the following ways:

- a. After the issuance of the 2012 Order, Aetna reported that it paid nine claims on health insurance contracts and plans issued in Missouri for elective abortions without an optional rider for which there is paid an additional premium in violation of §376.805.1 RSMo. (Cum. Supp. 2013). The Division alleges that there were additional claims paid, in violation of §376.805.1 RSMo. (Supp. 2013) and the 2012 Order.
- b. After the issuance of the 2012 Order, Aetna failed to undertake a full and complete audit of its compliance with all Missouri mandates.
- c. As a result of failing to undertake a full and complete review of compliance with the Missouri autism mandate, Aetna failed to offer coverage for the diagnosis and treatment of autism spectrum disorders to individuals holding certificates of coverage under policies issued to trusts, associations, or discretionary groups as required by §376.1224.13 RSMo. (Cum. Supp. 2013).

WHEREAS, Aetna further admits that the failure to offer coverage for the diagnosis and treatment of autism spectrum disorders to individuals holding certificates of coverage under policies issued to trusts, associations, or discretionary groups also violates §376.1224.13 RSMo. (Cum. Supp. 2013).

WHEREAS, Aetna further admits it failed to fully comply with the mandated benefits for First Steps coverage pursuant to Section 376.1218 RSMo. in that Aetna elected the direct claims option for compliance. However it failed to consider First Steps claims arising under certificates of coverage provided through policies issued to group trusts, associations or discretionary groups.

WHEREAS, Aetna further admits that it has violated the provisions of the 2012 Order that required Aetna to cease and desist from engaging in any of the violations of law set forth in the 2012 Stipulation in violation of §374.046.16.

WHEREAS, the Division and Aetna have agreed to resolve the violations of the 2012 Stipulation and 2012 Order upon the following terms:

A. **Scope of Agreement.** This Stipulation of Settlement for violation of an Order of the Director (hereinafter “2015 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. **Voluntary Forfeiture.** Aetna agrees, voluntarily and knowingly, to surrender and forfeit the sum of four million, five hundred thousand dollars (\$4,500,000), in accordance with §374.046 and 374.280 RSMo. (Cum. Supp. 2013). Aetna and the Division further agree as follows:

- 1) Payment of three million dollars (\$3,000,000) is due at the time Aetna enters into the 2015 Stipulation;
- 2) Payment of one million, five hundred thousand dollars (\$1,500,000) is suspended subject to Aetna substantially complying with the terms of the Corrective Action Plan entered into between Aetna and the Division (hereinafter “2015 Corrective Action Plan”);

- 3) The determination of whether Aetna has substantially complied with the terms of the 2015 Corrective Action Plan shall be in the sole discretion of the Director;
- 4) In the event the Director determines that Aetna has not substantially complied with the terms of the 2015 Corrective Action Plan, during the three year monitoring phase, the Director may order Aetna to pay all or part of the suspended forfeiture amount, not to exceed one million, five hundred thousand dollars (\$1,500,000) in accordance with §374.046 and 374.280 RSMo. (Cum. Supp. 2013).

**C. Suspension of Certificate of Authority.** Subject to paragraph D below, Aetna agrees, voluntarily and knowingly, to a suspension of its certificates of authority to engage in the business of insurance in the State of Missouri for a period not to exceed one year pursuant to §374.046.16 RSMo. (Cum. Supp. 2013), for the violation of the provisions of the 2012 Order requiring Aetna to cease and desist from engaging in any violation of law set forth in the 2012 Stipulation. Aetna and the Division further agree as follows:

- 1) The imposition of such suspension to be suspended by the Director subject to Aetna substantially complying with the terms of the 2015 Stipulation and 2015 Corrective Action Plan;
- 2) The determination of whether Aetna has substantially complied with the terms of the 2015 Stipulation and 2015 Corrective Action Plan shall be in the sole discretion of the Director;
- 3) In the event the Director determines that a particular Aetna company has not substantially complied with the terms of the 2015 Stipulation or the 2015 Corrective Action Plan, during the three year monitoring phase, the Director may order that the applicable Aetna certificate(s) of authority to engage in the business of insurance be suspended for any period of time not to exceed one year.
- 4) With respect to the Director's determination of whether a particular Aetna company has substantially complied with the terms of the 2015 Stipulation and/or 2015 Corrective Action Plan, no determination shall be made until notice and an opportunity for a hearing before the Director is provided to the particular Aetna company alleged to be in violation. The notice shall be in the form of a Statement

of Charges filed by the Division with the Director setting forth the facts supporting a finding of non-compliance with the terms of the 2015 Stipulation and/or 2015 Corrective Action Plan. The Director shall schedule a hearing on the Statement of Charges no earlier than 30 days after the date the Statement of Charges is served by the Division on the particular Aetna company. Both the Division and Aetna may present evidence at the hearing.

**D. Effect of Suspended Suspension.** Unless and until the Director imposes a suspension pursuant to Paragraph C. 3. of the 2015 Stipulation, each Aetna entity shall remain in good standing in Missouri. Each Aetna entity shall remain fully authorized to conduct the business of insurance within the state and shall maintain a certificate of authority that is not, and shall not be deemed to be, impaired, restricted, suspended, or disqualified in any way.

**E. Remedial Action.** Aetna agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and with the 2012 Stipulation, the 2012 Order, and the 2015 Stipulation, and agrees to maintain such remedial actions at all times. Specifically, Aetna shall ensure that it complies with the provision of Section 376.1224.13 and shall offer to add autism coverage to any individually underwritten health benefit plan in which coverage was not provided. For health benefit plans that did not provide First Steps benefits, Aetna shall pay ½ of 1% of the applicable direct written premium as reported on the filed supplement to the annual financial statement since 2010 and shall fully comply with the First Steps mandate for each calendar year in which the law is in effect from the date of the final order in this matter. Additional remedial actions are contained in the 2015 Corrective Action Plan agreed to by the parties.

**F. Monitoring Phase.** Aetna and the Division agree that Aetna's compliance with the terms of the 2015 Stipulation and 2015 Corrective Action Plan shall be subject to a three year monitoring period. The three year monitoring period shall begin on the date this Stipulation is executed by Aetna. The details of the monitoring phase are included in the 2015 Corrective Action Plan.

**G. Ongoing Examination.** Aetna consents, as a part of the monitoring phase, to an ongoing examination to begin on the date this Stipulation is executed by Aetna, and to pay any reasonable fees related to the ongoing examination for the duration of the monitoring phase.



The 2015 Corrective Action Plan shall be a confidential work paper of the ongoing examination, subject to the provisions of §374.205.4, RSMo. (2000).

H. **Other Penalties.** For violations of the 2012 Stipulation and 2012 Order, as those violations are specifically set forth in the “Whereas” clauses of this document, the Division agrees that it will not seek any forfeiture or penalties against Aetna. The Division is not precluded from seeking forfeitures or penalties against Aetna for violations of the 2012 Stipulation and 2012 Order not addressed in the “Whereas” clauses of this document.

I. **Waivers.** Aetna, 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, except as set forth in Paragraph C (4), and for review or appeal by any trial court or appellate court, which may have otherwise applied to any action for violation of the 2012 Stipulation and 2012 Order, and for the ongoing examination, including waiving any right to review or appeal by any trial or appellate court of any determination made by the Director pursuant to paragraph B and C of this 2015 Stipulation..

J. **Changes.** No changes to the 2015 Stipulation shall be effective unless made in writing and agreed to by all signatories to the 2015 Stipulation.

K. **Governing Law.** The 2015 Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.


L. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign the 2015 Stipulation.

M. **Counterparts.** This 2015 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.

N. **Effect of Stipulation.** The 2015 Stipulation shall not become effective until entry of a Final Order of the Director approving the Stipulation.

O. **Request for an Order.** The signatories below request that the Director issue an Order approving the 2015 Stipulation and ordering the relief agreed to in the 2015 Stipulation, and consent to the issuance of such Order.

DATED: 5/7/2015

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

DATED: 5/7/2015

  
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Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation

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

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Amy V. Hoyt  
Health Insurance Counsel  
Missouri Department of Insurance,  
Financial Institutions and Professional Registration

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

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Cain A. Hayes, Senior Vice President  
Aetna Life Insurance Company

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

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Edward Lee, Assistant Secretary  
Aetna Health Insurance Company

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

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Michael Portnoy, Regional General  
Counsel for Aetna Life Insurance  
Company and Aetna Health Insurance Company

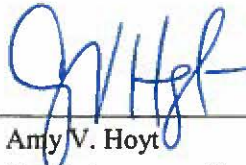
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Angela Nelson  
Director, Division of Insurance  
Market Regulation

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

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Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation

DATED: 5-7-15

  
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Amy V. Hoyt  
Health Insurance Counsel  
Missouri Department of Insurance,  
Financial Institutions and Professional Registration

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

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Cain A. Hayes, Senior Vice President  
Aetna Life Insurance Company

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

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Edward Lee, Assistant Secretary  
Aetna Health Insurance Company

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Michael Portnoy, Regional General  
Counsel for Aetna Life Insurance  
Company and Aetna Health Insurance Company

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

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Angela Nelson  
Director, Division of Insurance  
Market Regulation


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

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Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation

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

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Amy V. Hoyt  
Health Insurance Counsel  
Missouri Department of Insurance,  
Financial Institutions and Professional Registration

DATED: 5/6/2015

  
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Cain A. Hayes, Senior Vice President  
Aetna Life Insurance Company

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

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Edward Lee, Assistant Secretary  
Aetna Health Insurance Company

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

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Michael Portnoy, Regional General  
Counsel for Aetna Life Insurance  
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Angela Nelson  
Director, Division of Insurance  
Market Regulation

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

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Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation

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Amy V. Hoyt  
Health Insurance Counsel  
Missouri Department of Insurance,  
Financial Institutions and Professional Registration

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

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Cain A. Hayes, Senior Vice President  
Aetna Life Insurance Company

DATED: 5/7/15 \_\_\_\_\_

  
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Aetna Health Insurance Company

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Cain A. Hayes, Senior Vice President  
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DATED: \_\_\_\_\_

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Edward Lee, Assistant Secretary  
Aetna Health Insurance Company

DATED: 5-7-15

*Michael Portnoy*  
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Michael Portnoy, Regional General  
Counsel for Aetna Life Insurance  
Company and Aetna Health Insurance Company