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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

UTAH STATE
INSURANCE DEPT

<p>COMPLAINANT:</p> <p>UTAH INSURANCE DEPARTMENT</p> <p>RESPONDENT:</p> <p>HUMANA INSURANCE COMPANY 20860 N. Tatum Blvd. Ste. 400 Phoenix, AZ 85050 License # 73288</p>	<p>STIPULATION AND ORDER</p> <p>Docket No. 2010-080 HL</p> <p>Enf. Case No. 2675</p>
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STIPULATION

1. Respondent, Humana Insurance Company is an insurer domiciled in the State of Wisconsin and authorized to do business in the State of Utah, NAIC Identification No. 73288.
2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:
 - a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
 - b. Respondent admits the Findings of Fact and Conclusions made therefrom;
 - c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this

Paid \$3,000, INV 462740

matter; and

- d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.

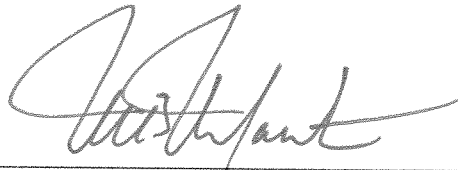
3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 3 day of June, 2010.



HUMANA INSURANCE COMPANY
Michael McCallister, President and CEO



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon
Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDING OF FACT

1. During the period between April 2008 to November 2009, Respondent Humana Insurance Company denied six claims under a group health policy which were submitted to the company after the 30 day grace period for services that were received by group policyholders during the 30 day grace period.

2. None of the policyholders whose claims were denied had been given written notice by the Respondent of discontinuance of insurance coverage.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Administrative Code Ann. § 31A-22-607 (2009) states:

Every group or blanket accident and health policy shall provide for a grace period of at least 30 days, unless the policyholder gives written notice of discontinuance prior to the date of discontinuance, in accordance with the policy terms.

2. Respondent was in violation of the above statute on six occasions during the period April 2008 through November 2009 when it denied claims for services received during the 30 day grace period.

3. An administrative forfeiture in the amount of \$3,000.00 by Respondent Humana Insurance Company is appropriate under the circumstances.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law,
the Presiding Officer herewith enters the following Order:

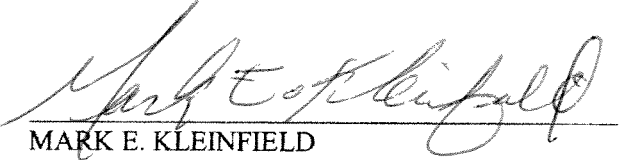
ORDER

IT IS HEREBY ORDERED:

1. Respondent Humana Insurance Company is assessed a forfeiture of \$3,000.00 to be paid to the Utah Insurance Department withing 30 days of issuance of this Order.
2. Respondent is ordered to reprocess the subject six claims, if it has not already done so, within thirty days.

DATED this 15th day of June, 2010.

NEAL T. GOOCH
Acting Insurance Commissioner


MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

NOTIFICATION

Respondent is hereby notified that failure to abide by the terms of this Order may subject you to further penalties, including additional forfeitures of up to \$5,000.00 per violation and the

suspension or revocation of your license, and the filing of an action to enforce this Order in the District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them