

EDWARD VASQUEZ #8640
Assistant Attorney General
SEAN D. REYES #7969
Attorney General
Attorneys for Utah Insurance Department
160 East 300 South, 5th Floor
P.O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 366-0367
Email: evasquez@agutah.gov

BEFORE THE UTAH INSURANCE COMMISSIONER

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| UTAH INSURANCE DEPARTMENT, Complainant, vs. NATIONAL HEALTH INSURANCE COMPANY, Respondent. | NOTICE OF AGENCY ACTION AND ORDER Docket No. 2021-4297 Curtis L. Garner Presiding Officer |
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NOTICE OF AGENCY ACTION

The Utah Insurance Department (the “Department”) commences this informal adjudicative proceeding against Respondent National Health Insurance Company (“Respondent”) pursuant to Utah Code §§ 31A-2-201 and 63G-4-201 through -203 and Utah Admin. Code R590-160.

This informal adjudicative proceeding is based on the facts and law set forth in the attached Declaration and is designated as an informal adjudicative proceeding pursuant to Utah Code § 63G-4-202(1) and Utah Admin. Code R590-160-4 and -8.

ORDER

Based on the facts and the law set forth in the attached Declaration, and good cause appearing, the Utah Insurance Commissioner orders as follows:

1. Respondent shall forfeit to the Department the amount of \$2,250.00.
2. To avoid additional penalties, Respondent shall file for the years 2018 and 2019, the reports and information required by the following Utah Administrative Code provisions: R590-146-14.B and C, Loss Ratio Standards and Refund or Credit of Premiums; and R590-146-22, Reporting of Multiple Policies, with the Department within 15 calendar days of the date of this Order. Pursuant to Utah Admin. Code R590-220-6, -11(4), all reports shall be submitted together as one filing via the System for Electronic Rate and Form Filing (“SERFF”).
3. Pursuant to Utah Code § 63G-4-203(1)(i) and Utah Admin. Code R590-160-8(1), this informal adjudicative proceeding shall be deemed closed, and this Order shall become final and take full effect, 15 days after this Notice of Agency Action and Order is emailed to Respondent unless a written request for a hearing on this matter is received from Respondent prior to that date.
4. A request for a hearing shall be sent by email to uidadmincases@utah.gov or by U.S. mail to Office of the Administrative Law Judge, Utah Insurance Department, 3110 State Office Building, Salt Lake City, UT 84114. The request for hearing shall be signed by the person making the request and shall state the basis for the relief requested.

5. If you fail to request a hearing you will be bound by this Order. Failure to request a hearing will be deemed a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

DATED this 2nd day of February, 2021.

JONATHAN T. PIKE
Acting Utah Insurance Commissioner



Curtis L. Garner
Presiding Officer
Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114
801-538-3860
Email: uidadmincases@utah.gov

NOTICE REGARDING ENFORCEMENT OF THIS ORDER

Failure to obey this Order may subject you to further penalties that include a forfeiture of up to \$5,000 per violation, with each day of the violation constituting a separate violation. Other penalties for failing to obey this Order may include license suspension, probation, refusal to renew, or revocation. Failure to obey this Order may also result in an action taken against you in a court of competent jurisdiction where forfeitures of up to \$10,000 for each day the failure to comply continues until judgment is rendered. If you are licensed in other jurisdictions, you may be required to report this proceeding to those jurisdictions.

DECLARATION

Under criminal penalty of Utah law, I, Connie Nowland, declare the following:

1. I am currently employed as a Market Conduct Examiner with the Utah Insurance Department (“Department”) where my responsibilities include investigating and enforcing Utah insurance laws.

2. I submit this Declaration as the basis for issuing the Notice of Agency Action and Order against National Health Insurance Company (“Respondent”) to which this Declaration is attached.

3. Based on my personal knowledge and/or based on the facts appearing in the Department’s records and files, the following facts are true:

a. Respondent is a life insurer domiciled in the State of Texas and is authorized to do insurance business in the State of Utah. Respondent’s license number is 1131.

b. Respondent is an issuer of Medicare Supplement products.

c. Pursuant to Utah Admin. Code R590-146-14.B, Loss Ratio Standards and Refund or Credit of Premiums, an issuer shall file with the Utah Insurance Commissioner (“Commissioner”) the following forms on or before May 31st of each year: Medicare Supplement Refund Calculation; Calculation of Benchmark Rate Since Inception for Group Policies; and Calculation of Benchmark Ratios for Individual Policies (“Refund or Credit Calculation Report”).

d. Pursuant to Utah Admin. Code R590-146-14.C, Loss Ratio Standards and Refund or Credit of Premiums, an issuer shall file an Annual Filing of Premium Rates Report (“Premium Rates Report”) on or before May 31st of each year. The Premium Rates Report must comply with the requirements of Utah Admin. Code R590-220.

e. Pursuant to Utah Admin. Code R590-146-22, Reporting of Multiple Policies, an insurer shall file, on or before May 31st of each year, the “report form under Subsection 25.D for every resident of this state for which the issuer has in force more than one Medicare supplement policy or certificate” (“Multiple Policies Report”).

f. Pursuant to Utah Admin. Code R590-220-6, -11(4), the Refund or Credit Calculations Report; Premium Rates Report; and Multiple Policies Report (collectively “Annual Medicare Supplement Reports”) are required to be filed, via the System for Electronic Rate and Form Filing (“SERFF”), together as one filing.

g. Respondent’s 2019 Utah Accident & Health Survey indicated that Respondent has active members in Utah.

h. Respondent has not filed its 2019 Annual Medicare Supplement Reports.

i. Respondent has not filed its 2018 Annual Medicare Supplement Reports.

4. The above declared facts demonstrate that the following Utah insurance laws were not complied with:

a. Utah Admin. Code R590-146-14.B, failing to file 2019 and 2018 Refund & Credit Calculations Reports.

b. Utah Admin. Code R590-146-14.C, failing to file 2019 and 2018 Premium Rates Reports.

c. Utah Admin. Code R590-146-22, failing to file 2019 and 2018 Multiple Policies Reports.

d. Utah Admin. Code R590-220-11(4), failing to file 2019 and 2018 annual Medicare Supplement reports.

5. Based on Utah Code § 31A-2-308 and other similar enforcement cases, the proper forfeiture amount for this violation is \$2,250.00.

Signed on this 2nd day of February, 2021, at Salt Lake City, Utah.

/s/ Connie Nowland
Connie Nowland, Market Conduct Examiner
Utah Insurance Department