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BEFORE THE UTAH INSURANCE COMMISSIONER

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| UTAH INSURANCE DEPARTMENT, Complainant, vs. HUMANA INSURANCE COMPANY, Respondent. | FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER Docket No. 2022-4380 Donald H. Hansen Administrative Law Judge/Presiding Officer |
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Complainant, Utah Insurance Department ("Department") and Respondent, Humana Insurance Company ("Humana"), have stipulated to entry of the following Findings of Fact, Conclusions of Law, and Order.

Based upon that stipulation, and good cause appearing, the Presiding Officer makes and enters the following:

FINDINGS OF FACT

1. Humana is an insurer domiciled in Wisconsin and authorized to do insurance business in Utah. Humana holds Utah license number 1166.
2. Humana's mailing address is PO Box 740036, Louisville, KY 40201-7436.

3. On September 29, 2020, Docket No. 2020-4261 was entered against Humana regarding a market conduct examination of Humana for the period of January 1, 2015 to December 31, 2017.

4. In Docket No. 2020-4261, Humana was ordered to pay a forfeiture of \$1,500,000.00 for various violations described in the Conclusions of Law, which included violations of Utah Code § 31A-26-303(3)(b) and § 31A-26-301.6(10)(d). Humana was placed on probation for 24 months, ordered to have no further violations of Utah insurance laws during the probationary period, and further ordered not to commit the violations described in the conclusions of law in the future.

5. In 2021, the Department notified Humana through objections to SERFF filing #HUMA-132733281 that their proposed 2020 Dental SmartChoice product build was not compliant with the Utah Insurance Code. Multiple objection letters were sent to Humana, with the first filing objection letter issued on June 18, 2021 and the final objection letter issued on July 21, 2021.

6. Upon receiving notice that its proposed 2022 Dental SmartChoice on-exchange product did not provide coverage meeting the Utah QHP benchmark plan, Humana notified the Department on September 3, 2021, that the incorrect product build dated back to 2014. Humana researched and determined the extent of the historical member impact and adjusted the claims, with interest. Humana engaged in mitigation efforts to identify additional claims that needed to be adjusted prior to the corrected 2022 product build taking effect.

7. Humana identified 572 claims that were inappropriately denied.

8. 56 of the 572 claims were inappropriately denied after Humana was placed on

probation in Docket No. 2020-4261.

9. The Department and Humana have agreed to an administrative forfeiture of \$280,000.00.

CONCLUSIONS OF LAW

1. The Utah Insurance Commissioner (“Commissioner”) has jurisdiction over the parties and this adjudicative proceeding pursuant to Utah Code §§ 31A-1-105 and 31A-2-201.

2. The Commissioner has legal authority to impose penalties on the Department's licensees who violate the Utah Insurance Code. Utah Code § 31A-2-308.

3. Humana violated Utah Code § 31A-26-301.6(10)(d) and § 31A-26-303(3)(b) when it used a code in its claims processing that did not provide coverage consistent with the requirements of the Utah dental benchmark plan, resulting in the improper denial of 572 claims dating back to 2015. 56 of those claims were inappropriately denied after Humana was placed on probation in Docket No. 2020-4261.

4. Humana violated Utah Code § 31A-2-308, when it violated Utah Code §§ 31A-26-301.6(10)(d) and 31A-26-303(3)(b), which were the subject of Docket No. 2020-4261.

5. As penalties for the violations in this case, Humana should be ordered to pay a forfeiture of \$280,000.00

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby Ordered that:


1. Humana shall pay a forfeiture of \$280,000.00 for the violations described in the Conclusions of Law. The forfeiture shall be paid in full to the Department no later than 30 days

after this order is signed.

2. Humana is ordered not to commit the violations described in the Conclusions of Law in the future.

DATED this 16th day of March, 2022.

JONATHAN T. PIKE
Utah Insurance Commissioner



Donald H. Hansen
Administrative Law Judge/Presiding Officer
Utah Insurance Department
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NOTICE TO RESPONDENT

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 in those jurisdictions.


CERTIFICATE OF SERVICE

The undersigned certifies that on this date a true and correct copy of the foregoing Findings of Fact, Conclusions of Law and Order was emailed to:

Kristie A. Daugherty
Humana Insurance Company
[REDACTED]

Helen A. Frohlich
Assistant Attorney General
hfrohlich@agutah.gov

DATED this 16th day of March, 2022.



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