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BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT, Complainant, vs. HUMANA INSURANCE COMPANY, Respondent.	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER Docket No. 2022-4413 Donald H. Hansen Administrative Law Judge/Presiding Officer
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Complainant, Utah Insurance Department ("Department") and Respondent, Humana Insurance Company, 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 a life, health, and accident insurer domiciled in Wisconsin and authorized to do insurance business in Utah. Humana holds Utah license number 1166.
2. Humana's mailing address is [REDACTED].

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. Humana was ordered to pay a forfeiture of \$1,500,000.00 for various violations described in the Conclusions of Law. 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.

4. On February 17, 2022, Docket No. 2022-4367 was entered against Humana for violating Utah Code § 31A-26-303(3)(b) and § 31A-26-301.6(10)(a) when it converted a preauthorization for inpatient services to “observation/ambulatory level of care.” Humana was ordered to pay a forfeiture of \$3,500.00 for the violations and further ordered not to commit the violations in the future.

5. Also on February 17, 2022, Docket No. 2022-4368 was entered against Humana for violating Utah Code § 31A-26-303(3)(b) and § 31A-26-301.6(10)(d) when it erroneously recouped payment of a claim, then failed to properly issue the check after the claim was reprocessed. Humana also violated Utah Code § 31A-2-202(6) when it incorrectly reported to the Department on November 13, 2019, that the claim at issue had been paid on February 19, 2019, when in fact it was not paid until February 26, 2021. Humana was ordered to pay a forfeiture of \$5,500.00 for the violations and further ordered not to commit the violations in the future.

6. On March 16, 2022, Docket No. 2022-4380 was entered against Humana for violating 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. Fifty-six of those claims were inappropriately denied after Humana was placed on probation in Docket No. 2020-4261. Humana was ordered to pay a forfeiture of \$280,000.00 for the violations and further ordered not to commit the violations in the future.

7. In October 2010, [REDACTED], a policy holder, purchased a 10-year term life insurance policy with Humana Insurance Company. The coverage was effective from October 15, 2010, through June 31, 2018. ManhattanLife Assurance Company of America acquired the block of business from Humana and began administering benefits effective July 1, 2018.

8. The policy acquired by ManhattanLife lapsed for non-payment of premium in December 2020. During the period August 2020 through January 2022, Humana Insurance Company inadvertently applied premium payments received in error to an unrelated similar policy, and no premium payments were received by ManhattanLife. The policyholder was unaware of the error and assumed that his policy was still in force.

9. When contacting Humana Insurance Company, the policyholder was continually told that Humana had no record of the policy even though they were receiving payments from the policyholder's account. Humana referred the policyholder to ManhattanLife who communicated to him that the policy lapsed in 2020. Upon receipt of bank statements from the policyholder, Humana identified that they were collecting premium payments in error for a policy they no longer administered.

10. Working with ManhattanLife, Humana offered to pay for the reinstatement of the policy or refund the premiums it erroneously collected. The policyholder opted for the refund of premiums. On February 14, 2022, Humana refunded \$564.00 to the policyholder.

11. Of the nineteen premium payments paid, seventeen payments were erroneously credited to an unrelated policy after Humana was placed on probation per the issuance of an Order under Docket No. 2020-4261 and signed Stipulation dated September 25, 2020, where Humana was ordered not to commit the violations described in the Conclusions of Law in the future, and not to have any further violations of Utah insurance laws.

12. The Department and Humana have agreed to an administrative forfeiture of \$101,000.00.

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 pursuant to Utah Code § 31A-2-308.

3. Respondent violated Utah Code § 31A-21-302 by collecting premiums for insurance for a policy they no longer administered. During the period of August 2020, through January 2022, Humana inadvertently applied premium payments received in error for a policy no longer administered by Humana to an unrelated policy. The policyholder was unaware of the error and assumed that his policy acquired by ManhattanLife was still in force. The Policy lapsed for non-payment of premium in December 2020.

4. Humana violated Utah Code § 31A-2-308, when it committed new violations of Utah insurance laws while on probation and in violation of the order in Docket No. 2020-4261.

5. As penalties for the violations in this case, Respondent should be ordered to pay a forfeiture of \$101,000.00.

ORDER

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

1. Humana shall pay a forfeiture of \$101,000.00 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 8th day of August, 2022.

JONATHAN T. PIKE
Utah Insurance Commissioner

/s/ Donald H. Hansen
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 \$2,500 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:

Humana Insurance Company
C/O Gina Centner

████████████████████

and

Shelley A. Coudreaut
Assistant Attorney General
sacoudreaut@agutah.gov

DATED this 8th day of August, 2022.

/s/ Jeanine Couser _____
Jeanine Couser
Utah Insurance Department
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Taylorsville, UT 84129
801-957-9321