

BEFORE THE INSURANCE COMMISSIONER

FOR THE STATE OF DELAWARE

IN THE MATTER OF:)
)
HIGHMARK BCBSD Inc.)
800 Delaware Avenue) **DOCKET NO. 2982-2015**
Wilmington, DE 19801-1368)
NAIC #53287)

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of

December 31, 2015, by and between Highmark BCBSD Inc. (“Respondent”) and the State of Delaware Department of Insurance (“Department”).

WHEREAS, Respondent is health service corporation incorporated under Delaware law and authorized to conduct business under Chapter 63 of the Delaware Insurance Code (18 *Del. C.* §§ 101, *et seq.*); and

WHEREAS, the Department, through its examiners, conducted a routine market conduct examination (“Examination”) of Respondent’s affairs and practices; and

WHEREAS, the Department, through its examiners, prepared and provided to Respondent for review and comments draft versions of a report of the Examination; and

WHEREAS, Respondent has reviewed and commented on such draft versions of the report of the Examination; and

WHEREAS, after considering Respondent’s comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of September 30, 2014 (“Final Examination Report”); and

WHEREAS, among other findings contained in the Final Examination Report, the Department concluded that the Respondent's practices and procedures did not comply with (i) 18 *Del. C.* §2304(17), in that it failed to maintain a complete record of complaints received since its last examination date as its complaint records did not reflect a detailed description of the disposition of complaints; (ii) 18 *Del. C.* § 2304(26) in that it failed to provide timely substantive response to Department inquiries; (iii) 18 *Del. Admin. Code* § 902-1.2.1.2 in that it failed to acknowledge and respond within 15 working days, upon receipt by the Respondent, to communications with respect to claims by insureds arising under insurance policies; and (iv) 18 *Del. Admin. Code* § 1310-6.0 in that it failed to either pay, deny or provide in writing a reason for the inability to pay a claim within 30 days after receipt of a clean claim (hereinafter, the "Notice Violations"); and

WHEREAS, Respondent desires to conduct business in full compliance with the Delaware Insurance Code and the Regulations promulgated thereunder; and

WHEREAS, Respondent and the Department desire to resolve this matter without recourse to any administrative hearing or court action (such as an appeal).

NOW, THEREFORE, IT IS AGREED, by and between Respondent and the Department as follows:

1. Respondent waives any right to a hearing on the Final Examination Report, and agrees that the Department may file the Final Examination Report without any further modifications.

2. Upon its execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Notice Violations in the amount of Three Hundred Eighty-Three Thousand Dollars (\$383,000.00). Respondent shall make its check for the administrative penalty payable to the "State of Delaware."

3. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

4. This Stipulation and Consent Order is the free and voluntary act of the Respondent, and its terms are binding upon the Respondent and may be admitted into evidence in any judicial or administrative proceeding against the Respondent to enforce such terms. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

5. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between the Respondent and the Department with regard to the Examination.

6. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

7. If the Department fails to act on any one or more defaults by the Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare the Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.

8. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)	
)	
AETNA HEALTH INC.)	
980 Jolly Road)	DOCKET NO. 2983-2015
Blue Bell, PA 19422)	
NAIC #95109)	
)	
And)	
)	
AETNA LIFE INSURANCE COMPANY)	
151 Farmington Avenue)	
Hartford, CT 06156)	
NAIC #60054)	

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of *11th*
of January, 201*6*, by and among Aetna Health Inc. (“Aetna Health”), Aetna Life
Insurance Company (“Aetna Life” and, together with Aetna Health, the “Respondents”) and the
State of Delaware Department of Insurance (“Department”).

WHEREAS, Respondent Aetna Health is health insurance company incorporated under
Pennsylvania law. Respondent Aetna Life is a life insurance company incorporated under
Connecticut law. Respondents are authorized to conduct the business of insurance in the State of
Delaware; and

WHEREAS, the Department, through its examiners, conducted routine market conduct
examinations (the “Examinations”) of Respondents’ affairs and practices; and

WHEREAS, the Department, through its examiners, prepared and provided to Respondents for review and comments draft versions of a report of the respective Examination; and

WHEREAS, Respondents have reviewed and commented on such draft versions of the report of the Examinations; and

WHEREAS, after considering Respondents' comments, the Department, through its examiners, has prepared a final report of (i) the Examination of Aetna Health, dated as of June 30, 2012 ("Aetna Health Final Examination Report"), and (ii) the Examination of Aetna Life, dated as of June 30, 2012 (the "Aetna Life Final Examination Report" and, together with the Aetna Health Financial Examination Report, the "Final Examination Reports"); and

WHEREAS, among other findings contained in the Final Examination Reports, the Department concluded that the Respondents' practices and procedures did not comply with (i) 18 *Del. C.* §2304(16), in that it failed to acknowledge and act reasonably promptly upon communication with respect to claims arising under insurance policies; (ii) 24 *Del. C.* § 716 in that it charged copayment amounts for chiropractic services in excess of 25% of the fee due to the doctor of chiropractic for the service provided; (iii) 24 *Del. C.* § 717 in that it failed to use a chiropractic opinion from a chiropractor licensed in the State of Delaware; and (iv) 18 *Del. Admin. Code* § 1310-6.0 in that it failed to pay clean claims within 30 days after receipt of said clean claim and failed to pay clean claims within 15 days of receiving requested additional information (hereinafter, the "Notice Violations"); and

WHEREAS, after communications with the Department, Respondents desire to resolve these matter without recourse to any administrative hearing or court action (such as an appeal).

NOW, THEREFORE, IT IS AGREED, by and among Respondents and the Department as follows:

1. Respondents accept the respective Final Examination Report, waive any right to a hearing thereon, and agree that the Department may file the Final Examination Reports without any further modifications.

2. Upon its execution of this Stipulation and Consent Order, Respondent Aetna Life shall pay to the Department an administrative penalty for the Notice Violations attributed to Aetna Life in the amount of Two Hundred Thousand Dollars (\$200,000.00). The Department hereby agrees that One Hundred Thirty-Three Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three Cents (\$133,333.33) of said administrative penalty shall be waived; provided, however, that if at any time within the 3 years following the execution of this Stipulation and Consent Order, Respondent Aetna Life is found by the Department, after notice and opportunity to be heard, to have made continuing or repeat violations of the Notice Violations, the waived portion of the administrative penalty shall be reinstated and become immediately due and payable. Respondent Aetna Life shall make its check for the administrative penalty payable to the "State of Delaware."

3. Upon its execution of this Stipulation and Consent Order, Respondent Aetna Health shall pay to the Department an administrative penalty for the Notice Violations attributed to Aetna Health in the amount of One Hundred Thousand Dollars (\$100,000.00). The Department hereby agrees that Sixty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$66,666.67) of said administrative penalty shall be waived; provided, however, that if at any time within the 3 years following the execution of this Stipulation and Consent Order, Respondent Aetna Health is found by the Department, after notice and opportunity to be heard,

to have made continuing or repeat violations of the Notice Violations, the waived portion of the administrative penalty shall be reinstated and become immediately due and payable. Respondent Aetna Health shall make its check for the administrative penalty payable to the “State of Delaware.”

4. Respondents waive any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

5. This Stipulation and Consent Order is the free and voluntary act of the Respondents, and its terms are binding upon the Respondents and may be admitted into evidence in any judicial or administrative proceeding against the Respondents to enforce such terms. Respondents acknowledge that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

6. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between the Respondents and the Department.

7. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

8. If the Department fails to act on any one or more defaults by the Respondents, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare the Respondents in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.

9. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of each Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to

execute this Stipulation and Consent Order on behalf of Respondents. Respondents agree that an uncertified copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

10. This Stipulation and Consent Order shall survive the Respondents and be enforceable against their successors, transferors, or assigns.

[Signature pages follow]

AETNA HEALTH INC.:

Laurie Ann Brubaker

Print Name: Laurie Ann Brubaker

Title: VP, Market Coach

Date:

Witness to Respondent's Signature

Name:

Title:

Date:

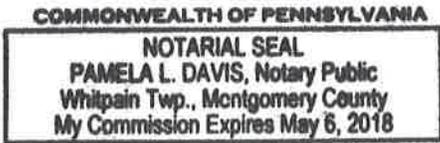
STATE OF PA)
) SS.
COUNTY OF Montgomery)

The foregoing instrument was acknowledged before me this 10th day of December 2015, by Laurie A. Brubaker, who is personally known to me or who has produced _____ as identification, and who certified that he or she is duly authorized to execute this document on behalf of Aetna Health Inc.

GIVEN under my Hand and Seal of office, the day and year aforesaid.

Pamela L Davis

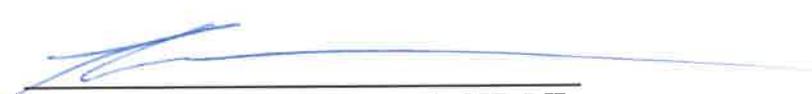
NOTARY PUBLIC



PRINT NAME

MY COMMISSION EXPIRES

DELAWARE INSURANCE DEPARTMENT



KAREN WELDIN STEWART, CIR-ML

Insurance Commissioner

Date: *1/11/2015*