

**Aetna Health, Inc.**

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) **CONSENT AGREEMENT**  
) **Docket No. INS 05-223**  
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THIS CONSENT AGREEMENT is entered into by and among Aetna Health, Inc. (“Aetna”), the Superintendent of the Maine Bureau of Insurance (the “Superintendent”), and the Office of the Attorney General. Its purpose is to resolve, without resort to an adjudicatory proceeding, violations of the Maine Insurance Code, 24-A M.R.S.A. Chapters 18, 27, and 47.

## **I**

### **FACTS**

1. The Superintendent is the official charged with administering and enforcing Maine’s insurance laws and regulations.
2. Organized and incorporated under the laws of the State of Maine, Aetna is licensed in Maine as a domestic health maintenance organization under license #HMD45749, first issued in April 1996.
3. Maine Bureau of Insurance (the “Bureau”) staff performed a targeted market conduct examination concerning the prompt payment of claims at Aetna from April 1, 2002 through June 30, 2002 for, among other issues, compliance with 24-A M.R.S.A. § 2436 (1) and (3). The findings of this examination are reported in a report entitled “Market Conduct Examination Aetna Health, Inc. Examination Period: 4/01/02 thru 6/30/02” (the “Report”), which is incorporated into and made a part of this Agreement.
4. During the course of this examination, Bureau staff found that Aetna paid 96 per cent of all claims within 30 days after receiving proof of loss. However, in a separate sample of claims not paid within 30 days, Bureau staff found that Aetna failed to pay interest in 11 per cent and to calculate interest correctly in 7 per cent, for a total failure rate under the Report of 18 per cent.

## **II**

### **NAIC MARKET CONDUCT EXAMINATION STANDARDS**

5. Standard L-3 of the NAIC Handbook provides that:

Claims are settled in a timely manner as required by statutes, rules and regulations.

6. Standard L-4 of the NAIC Handbook provides that:

The company responds to claim correspondence in a timely manner.

## **III**

## **MAINE LAW**

7. 24-A M.R.S.A. § 2436(1) provides in part that:

A claim for payment of benefits under a policy or certificate of insurance delivered or issued for delivery in this State is payable within 30 days after proof of loss is received by the insurer and ascertainment of the loss is made either by written agreement between the insurer and the insured or beneficiary or by filing with the insured or beneficiary of an award by arbitrators as provided for in the policy. For purposes of this section, “insured or beneficiary” includes a person to whom benefits have been assigned. A claim that is neither disputed nor paid within 30 days is overdue. If, during the 30 days, the insurer, in writing, notifies the insured or beneficiary that reasonable additional information is required, the undisputed claim is not overdue until 30 days following receipt by the insurer of the additional required information . . .

8. 24-A M.R.S.A. § 2436(3) provides in part that:

If an insurer fails to pay an undisputed claim or any undisputed part of the claim when due, the amount of the overdue claim or part of the claim bears interest at the rate of 1 1/2% per month after the due date.

## **IV**

### **CONCLUSIONS OF LAW**

9. Aetna violated 24-A M.R.S.A. § 2436(3) by failing either to pay interest or to calculate interest correctly on late paid claims.

## **V**

### **COVENANTS**

10. Within sixty (60) days of the effective date of this Agreement, Aetna shall:
1. for the period starting September 18, 1999 and ending as of the date of this Agreement, (i) identify all claims any part of which Aetna did not pay timely to the claimant and (ii) calculate and pay outstanding interest to the appropriate claimant; and
  2. submit to the Superintendent a report of all claims so identified, the interest paid, the payee and the method used to identify such claims and to calculate the interest owed.
11. Within thirty (30) days of the effective date of this Agreement, Aetna adopt, and submit to the Superintendent for approval, written procedures for ensuring that all claims for covered services are paid in compliance with Maine law, including calculation and payment of interest.

12. Aetna shall, upon executing this Agreement, pay a civil penalty of Five Thousand Dollars and No Cents (\$5,000.00) for violating 24-A M.R.S.A. § 2436, as de-scribed in paragraph 4.

**VI**

**MISCELLANEOUS**

- 13. A formal hearing in this matter is waived and no appeal will be made.
- 14. Aetna acknowledges that this Consent Agreement is a public record within the meaning of 1 M.R.S.A. § 402 and will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and will be reported to the NAIC RIRS database.
- 15. Aetna has been advised of its right to consult with counsel and has, in fact, con-sulted with counsel before executing this Agreement.
- 16. Nothing herein shall affect any right or interest of any person or entity not a party to this Agreement.
- 17. Nothing herein shall prohibit the Superintendent from seeking an order to enforce this Agreement, or from seeking additional sanctions if Aetna does not comply with the above terms, or from taking further legal action if the Superintendent re-ceives additional evidence that further legal action is necessary.
- 18. This Agreement may only be modified by the written mutual consent of all par-ties.

Dated: \_\_\_\_\_, 2005

**AETNA HEALTH, INC.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name and Title

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Date commission expires

Dated: \_\_\_\_\_, 2005

**MAINE OFFICE OF THE ATTORNEY  
GENERAL**

\_\_\_\_\_  
Thomas C. Sturtevant, Jr.  
Assistant Attorney General

**MAINE BUREAU OF INSURANCE**

Effective

Dated: \_\_\_\_\_, 2005

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Alessandro A. Iuppa  
Superintendent