

ANTHEM HEALTH & LIFE INSURANCE
COMPANY

DOCKET NO. MCINS 98-23

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CONSENT
AGREEMENT

INTRODUCTION

This document is a consent agreement, authorized by 5 M.R.S.A. § 9053(2) entered into by and among Anthem Health & Life Insurance Company (hereafter also "Anthem") and the Superintendent of the Maine Bureau of Insurance (hereafter also the "Superintendent"). Its purpose is to resolve, without resort to an adjudicatory proceeding, violations of the Insurance Code discussed below.

FACTS

The parties to this Consent Agreement stipulate to the following facts:

1. Anthem Health & Life Insurance Company has been licensed as a Maine Authorized Life and Health Insurer, Licensee #LHF860, since June 29, 1981.
2. The Superintendent of Insurance is the official charged with administering and enforcing Maine's insurance laws and regulations.
3. Title 24-A M.R.S.A. § 2412(1)(2) requires insurance policy application forms to be filed with the Bureau for prior approval, "if a written application is required and is made a part of the policy or contract."
4. Maine's Small Group Health Reform Insurance Law, Title 24-A M.R.S.A. § 2808-B went into effect on July 15, 1993.
5. On March 20, 1995, the Bureau issued Bulletin 245, "Small Group Health Insurance: Miscellaneous Issues," which was distributed to all insurers authorized to do health business in Maine. The bulletin states in relevant part:

Small group carriers may not require employers to contribute toward the premium for employee health coverage as a condition for issuing or renewing the policy. No criteria other than those expressly authorized by the law may be used to restrict guaranteed issue and renewal of small group policies.

6. On January 30, 1998, Bureau Life & Health Senior Insurance Analyst, Marti Hooper, learned that Anthem might be using a non approved product in Maine not in compliance with Maine's small group law, 24-A M.R.S.A. § 2808-B.

7. On February 11, 1998, Mrs. Hooper wrote to Anthem requesting a copy of the "Employer Request for Coverage" application used for small group health policies issued in Maine and the date approved by the Bureau.

8. On March 11, 1998, Anthem wrote to Mrs. Hooper. Accompanying the letter was a copy of the small employer application currently in use by Anthem.

9. On March 17, 1998, Mrs. Hooper called Anthem to again request the approval date of the above referenced application. Ms. Lisa Bandelli replied that it had never been filed as Anthem did not believe it necessary to file that type of application.

10. On March 17, 1998, Mrs. Hooper wrote to Anthem informing the company that the application did need to be filed for approval, and that the form is not in compliance with 24-A M.R.S.A. § 2808-B, insofar as the application indicates, "*Minimum employer contribution is 25% of total employee costs.*"

CONCLUSIONS OF LAW

11. Anthem violated Title 24-A M.R.S.A. § 2808-B by improperly requiring small group employers applying for health insurance under Anthem's "Employee Security Program" to contribute a specified percentage of the policy premiums.

12. Anthem violated Title 24-A M.R.S.A. § 2412(1) which requires form filings to be made with the Bureau at least 60 days prior to any solicitation in Maine.

COVENANTS

13. A formal hearing in this matter is waived and no appeal will be made.

14. At the time of executing this Agreement, Anthem will pay to the Maine Bureau of Insurance a penalty in the amount of one thousand dollars (\$1,000), payable to the Treasurer of the State of Maine.

15. Prior to or at the time of executing this Agreement, Anthem will file with the Bureau for review and approval an amended Employee Security Program application which complies with the requirements of 24-A M.R.S.A. § 2808-B.

16. Prior to or at the time of executing this Agreement, Anthem will provide the Bureau with: 1) an accounting of all small group policies improperly solicited in Maine with the prohibited employer contribution requirement since the effective date of 24-A M.R.S.A. § 2808-B; 2) a copy of a letter to all improperly solicited small group policyholders advising them that an employer contribution requirement is prohibited under Maine law; and, 3) a certificate of mailing indicating that the letter was mailed to all improperly solicited, Maine small group policyholders.

17. In consideration of Anthem's execution of and compliance with the terms of this Consent Agreement, the State of Maine agrees to forgo pursuing any disciplinary measures or other civil sanction for the actions described above other than those agreed to in this Consent Agreement.

MISCELLANEOUS

18. This Consent Agreement may only be modified by the written consent of the parties.

19. Anthem 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.

**FOR ANTHEM HEALTH & LIFE
INSURANCE COMPANY**

Dated: _____, 1998

By: _____
Signature

For: _____
Typed Name

Typed Title

Subscribed and Sworn to before me
this _____ day of _____, 1998.

Notary Public

**FOR THE MAINE
BUREAU OF INSURANCE**

Dated: _____, 1998

Alessandro A. Iuppa
Superintendent of Insurance

STATE OF MAINE
KENNEBEC, SS.

Subscribed and sworn to before me
this _____ day of _____, 1998.

Notary Public/Attorney-at-Law

**FOR THE MAINE
ATTORNEY GENERAL**

Dated: _____, 1998

**Judith Shaw Chamberlain
Assistant Attorney General**