

IN RE : UNITED HEALTHCARE) CONSENT AGREEMENT
) Docket No. INS 05-240
)

This document is a Consent Agreement, authorized by 10 M.R.S.A. § 8003(5)(B), entered into by and among United Healthcare Insurance Company (hereafter “United Healthcare”), the Superintendent of the Maine Bureau of Insurance (hereafter “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 as set forth below.

FACTS

1. The Superintendent is the official charged with administering and enforcing Maine’s insurance laws and regulations.
2. United Healthcare Insurance Company is licensed in Maine as a foreign life and health insurance company, Maine license number LHF 700, NAIC number 79413.
3. Title 24-A M.R.S.A. § 2154 provides:

False information, advertising. No person shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive or misleading.

4. On July 13, 2005 a Maine resident [Consumer] filed a written complaint with the Bureau regarding United Healthcare’s denial of her application for a Medicare supplement plan.
5. In response to an inquiry from Consumer, United Healthcare sent her a letter advertising its Medicare supplement plans, stating in part:

To enroll in this AARP Medicare Supplement Offer: Please respond by July 31, 2005.

Especially Prepared for: [Name of Consumer]

[Name of Consumer], because you are a valued AARP member, you cannot be turned down for coverage in plans A through G if you qualify based on one quick health question. *

...Of course, you can apply for any Plan listed on the Outline of Medicare Supplement Coverage – Cover Page located on page 3 in the enclosed booklet. For Plans A through G, you cannot be turned down for coverage if you qualify based on your answer to one quick health question.* For Plan H, I or J, which offers prescription drug benefits, your answers to health questions will determine your acceptance. Your acceptance may be

guaranteed if you meet the criteria in the Guaranteed Acceptance section of the enclosed *Your guide to AARP's Medicare Supplement Insurance Portfolio of Plans*.

...It's easy to apply – just review the “Here's How to Apply” section on the Enrollment Application. Complete and sign the enclosed application. Once you are accepted, you will receive your Certificate of Insurance.

...Respond by July 31, 2005 for your earliest possible effective date.

...P.S. For your convenience, an Enrollment Application is enclosed. Your coverage will begin on the first day of the month following the acceptance of your completed application.

*See your Enrollment Application for the question you need to answer.

Section 4 of the enclosed United HealthCare enrollment application contained the following question, to which Consumer answered “no”.

4 ONE QUICK QUESTION. Do you have end stage renal disease, or are you currently receiving dialysis, or have you been diagnosed, within the past 90 days, with kidney disease that requires dialysis?...

6. Consumer submitted a Medicare supplement application to United Healthcare on June 11, 2005, requesting an effective date of August 1, 2005.
7. United Healthcare sent Consumer a letter dated June 20, 2005, stating in part:

“We received your enrollment application for the AARP Medicare Supplement Plan ___. Unfortunately, we are unable to provide you with the coverage you requested. United HealthCare Insurance Company, the underwriter of the AARP Medicare Supplement Plans, only accepts applications for those under age 65 who enroll within 6 months of their Medicare Part B effective date or who meet state or federal guidelines for guaranteed issue or meet any other state-mandated open enrollment criteria.

CONCLUSIONS OF LAW

8. As described in paragraphs 1- 7 above, United Healthcare sent Consumer a letter advertising its Medicare supplement products and soliciting an application, addressing her by name, expressly advising her that acceptance of her application for enrollment in a Medicare supplement plan was guaranteed if she did not have end stage renal disease and she submitted an application prior to June 31, 2005. United Healthcare did not intend to guarantee a policy to Consumer provided she did not have end stage renal disease, and the advertisement was therefore misleading in violation of violation of 24-A M.R.S.A. § 2154.

COVENANTS

9. A formal hearing in this matter is waived and no appeal will be made.
10. At the time of executing this Agreement, United Healthcare shall pay to the Bureau of Insurance a penalty in the amount of five thousand dollars (\$5,000), payable to the Treasurer of the State of Maine.
11. In consideration of United Healthcare's compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil sanction for the specific violations described above, other than those agreed to in this Consent Agreement.

MISCELLANEOUS

12. This Consent Agreement may only be modified by the written consent of the parties.
13. It is understood by the parties to this Agreement that nothing herein shall affect any rights or interests of any person not a party to this Agreement.
14. United Healthcare acknowledges that this Consent Agreement is a public record within the meaning of 1 M.R.S.A. § 402, that it will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and that it will be reported to the NAIC and included in the RIRS database.
15. United Healthcare has been advised of its right to consult with counsel and has, in fact, consulted with counsel before executing this Agreement.
16. Nothing herein shall prohibit the Superintendent from seeking an order to enforce this Agreement, or from seeking additional sanctions in the event that United Healthcare does not does not comply with the above terms.

Dated: _____, 2006

UNITED HEALTHCARE INSURANCE COMPANY

By: _____

Printed Name and Title

Subscribed and sworn to before me
this _____ day of _____, 2006.

Notary Public

Printed name

Date of commission expiration

Dated: _____, 2006

MAINE BUREAU OF INSURANCE

Alessandro A. Iuppa
Superintendent of Insurance

Dated: _____, 2006

MAINE OFFICE OF THE
ATTORNEY GENERAL

Thomas C. Sturtevant, Jr.
Assistant Attorney General