

**STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE**

IN RE:

Anthem Health Plans of Maine, Inc.
NAIC Company Code: 52618
Maine License No. LHD70566

Docket No. INS-25-513

**CONSENT AGREEMENT
AND ORDER**

Anthem Health Plans of Maine, Inc. (Anthem), the Maine Superintendent of Insurance (Superintendent), and the Maine Office of the Attorney General (Attorney General) enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without resort to an adjudicatory proceeding, violations of Maine Bureau of Insurance Rule Chapter 135.

STATUTORY AUTHORITY

1. Under 24-A M.R.S. § 12-A, the Superintendent may assess civil penalties, issue a cease and desist order, or take any combination of these and other actions against any person who violates any rule adopted by the Superintendent.
2. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve an investigation without further proceedings by entering into a consent agreement with a licensee and with the consent of the Attorney General.
3. Pursuant to Bureau of Insurance Rule Chapter 135, § 5(7), an insurer must make tail coverage available at the time of issuing or renewing an employee benefit excess insurance policy to an employer maintaining a group health plan.¹

STATEMENT OF FACTS

Background

4. The Superintendent is the State official charged with administering and enforcing Maine's insurance laws and rules, and the Bureau of Insurance (Bureau) is the administrative agency with such jurisdiction.

¹ In general terms, tail coverage provides insurance for a claim for a covered service that occurs during the coverage period (most often, the term of the policy) but that does not get submitted (or paid) until after the end of the coverage period

5. The Superintendent has jurisdiction over this matter pursuant to the powers set forth in the Insurance Code generally, as well as the specific provisions of 24-A M.R.S. §§ 12-A and 211 and 10 M.R.S. § 8003.
6. Anthem has been licensed in Maine as a domestic insurance company since 2000, holding Maine Certificate of Authority number LHD70566. Its NAIC Code is 52618, and Anthem and its predecessor Blue Cross and Blue Shield licensee have continuously provided health benefits in Maine since 1938.
7. In addition to other products, Anthem sells employee benefit excess insurance policies in Maine.

Examination Process

8. At the direction of the Superintendent, Bureau staff called and conducted a targeted examination of Anthem's compliance with Rule Chapter 135, which sets forth standards for employee benefit excess insurance providing coverage for employers maintaining group health plans. The examination was conducted pursuant to 24-A M.R.S. §§ 211 and 221, and the results of the examination serve as the basis for this Consent Agreement.
9. The period of the examination was from January 1, 2020, through December 31, 2024, and the examination was conducted remotely.
10. The examination cohort consisted of several multiple-employer welfare arrangements (MEWAs) which are licensed by the Bureau and which purchased employee benefit excess insurance from Anthem.²
11. Each MEWA in the examination cohort was established by a non-profit 501(c) association to provide health benefits to the employees and beneficiaries of their respective member employers. Collectively, these MEWAs represent more than 600 member employers and more than 25,000 covered lives.
12. Via four information requests, the examiners tested Anthem's compliance with the requirements of Rule Chapter 135, § 5(7), in the issuance and/or renewal of employee benefit excess insurance policies to the MEWAs.
13. The specific Rule Chapter 135 requirements the examiners tested, via requests for documentation, were as follows:
 - A. Rule Chapter 135, § 5(7), which requires the insurer to make tail coverage available with a run-out period of at least six months when the insurer offers to issue or renew a policy.

² Each MEWA also purchased administrative services from Anthem for claims administration and other services for the insurance coverage provided under the respective group health plans during portions of the exam period.

- B. Rule Chapter 135, § 5(7)(A), which prohibits the insurer from issuing or renewing a policy that does not include tail coverage except when requested by the policyholder.
 - C. Rule Chapter 135, § 5(7)(B), which requires the insurer, before issuing or renewing a policy without tail coverage, to provide the policyholder with a disclosure notice – approved by the Superintendent – advising that the policy does not include tail coverage and explaining any risk associated with declining tail coverage.
 - D. Rule Chapter 135, § 5(7)(C), which requires the insurer to obtain a written acknowledgment from any policyholder that declines tail coverage.
14. The examiners also requested copies of all employee benefit excess insurance policies that Anthem issued and/or renewed to these MEWAs during the five-year examination period, and copies of all administrative services agreements Anthem entered into with these MEWAs.

Rule Chapter 135

- 15. Rule Chapter 135 “applies to all insurers offering or renewing employee benefit excess insurance policies covering group health plans in this State on or after the effective date of this rule.” Rule Chapter 135, § 3.
- 16. Rule Chapter 135 sets forth standards applicable to coverage for employers maintaining group health plans, including but not limited to the requirements summarized in Paragraph 13. *See* Rule Chapter 135, § 1.

FINDINGS

- 17. Anthem issued and/or renewed employee benefit excess insurance policies to each MEWA in the examination cohort.
- 18. Each MEWA in the examination cohort provides group health benefits within the scope of Rule Chapter 135.
- 19. When issuing and/or renewing employee benefit excess insurance policies to certain of the MEWAs in the examination cohort, Anthem failed to offer tail coverage.
- 20. When issuing and/or renewing employee benefit excess insurance policies without tail coverage to certain of the MEWAs in the examination cohort, Anthem failed to provide an approved disclosure explaining the risks of declining tail coverage.
- 21. When issuing and/or renewing employee benefit excess insurance policies to certain of the MEWAs in the examination cohort, Anthem failed to obtain written acknowledgments that the MEWAs chose not to purchase tail coverage.

VIOLATIONS OF LAW

22. Anthem asserted that its actions did not violate the Rule Chapter 135 based on the insurer's position that policies governing MEWAs are not subject to the rule. The Superintendent rejected this argument and found that Anthem failed to comply with Rule Chapter 135, § 5(7), by not making tail coverage available when issuing and/or renewing employee benefit excess insurance policies to certain of the MEWAs in the examination cohort, and by not providing the required disclosure or obtaining the required acknowledgment when issuing and/or renewing employee benefit excess insurance policies to these policyholders without tail coverage.

COVENANTS

23. Anthem and the Superintendent agree to resolve this matter consistent with the Findings (which Anthem accepts) and Covenants contained herein.
24. No later than sixty (60) days after executing this Consent Agreement, Anthem will remit to the Maine Bureau of Insurance a company check in the amount of Twenty-Five Thousand Dollars (\$25,000.00) payable to the Treasurer of the State of Maine.
25. Subsequent to the examination, Anthem filed a "Stop Loss Tail Coverage Disclosure" form with the Superintendent for purposes of complying with Rule Chapter 135, § 5(7). This form was approved by the Superintendent on July 11, 2025. Anthem agrees to provide this form or an approved replacement when offering to issue or renew employee benefit excess insurance policies that do not include at least six (6) months of tail coverage to small employers, large employers, or MEWAs doing business in this State after the effective date of this Consent Agreement.
26. This Consent Agreement is not subject to appeal. Anthem waives any right it might have to appeal any matter that is a subject of this Consent Agreement.
27. This Consent Agreement constitutes an Order of the Superintendent. A violation of its terms is enforceable by the Superintendent pursuant to 24-A M.R.S. §§ 12-A and 211.
28. This Consent Agreement is also enforceable by an action in Maine Superior Court pursuant to 24-A M.R.S. § 214, 10 M.R.S. § 8003(5)(B), and 14 M.R.S. § 3138.
29. The effective date of this Consent Agreement is the date of the Superintendent's signature.
30. This Consent Agreement may be modified only by a written agreement executed by all the parties hereto. Any decision to modify, continue or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.

31. This Consent Agreement is a public record as that term is defined by 1 M.R.S. § 402(3). It is subject to the provisions of the Maine Freedom of Access Act, 1 M.R.S. §§ 401 through 410, and it will be available for public inspection and copying as provided for by 1 M.R.S. § 408-A.
32. This Consent Agreement is also an adverse action and will be reported to the Regulatory Information Retrieval System (RIRS) database at the National Association of Insurance Commissioners (NAIC).
33. Nothing in this Consent Agreement shall be construed to affect any right or interest of any person not a party hereto or provide any person not a party hereto with any rights hereunder.
34. The terms of this Consent Agreement constitute the entire agreement between and among the parties.
35. If any provision of this Consent Agreement is for any reason determined to be invalid, the effectiveness and enforceability of all other provisions of the Consent Agreement shall not be affected by such determination.
36. This Consent Agreement may be signed in counterparts, with all counterparts together constituting one original instrument.
37. By the duly authorized signature of its representative on this Consent Agreement, Anthem warrants that it has consulted with counsel before signing the Consent Agreement or has knowingly and voluntarily decided to proceed in this matter without consulting counsel, that it understands this Consent Agreement, and that it enters into the Consent Agreement voluntarily and without coercion of any kind from any person.
38. As consideration for Anthem's execution of and compliance with the terms of this Consent Agreement, the Superintendent and the Attorney General agree to forgo pursuing further disciplinary measures or other civil or administrative sanctions for the specific conduct described above in this Consent Agreement. However, should Anthem fail to comply with any term or condition of this Consent Agreement, it may be subject to any available remedy under the law for such a failure or violation.

ANTHEM HEALTH PLANS OF MAINE, INC.

Dated: November 19, 2025

Denise F. McDonough
Name: Denise F. McDonough
Title: President

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: Nov. 19, 2025

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

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: Nov 21, 2025, 2025

Robert Carey
Robert Carey (Nov 21, 2025 10:35:37 EST)
Robert L. Carey
Superintendent