

STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 3, 2005

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2005-00144

CONSECO SENIOR HEALTH INSURANCE
COMPANY,

Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-510 A 5 and 38.2-3407.1 of the Code of Virginia, as well as 14 VAC 5-400-60 A by failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed, by failing to pay interest at the legal rate of interest from the date of fifteen (15) working days from the Defendant's receipt of proof of loss to the date that the claim was paid, and by failing to advise a first party claimant of the acceptance or denial of the claim by the Defendant within fifteen (15) working days after receipt by the insurer of properly executed proofs of loss.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations.

The Defendant has been advised of its right to a hearing in this matter, whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to

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the Commission wherein the Defendant has tendered to the Commonwealth of Virginia the sum of seven thousand five hundred dollars (\$7,500) and waived its right to a hearing.

The Bureau of Insurance has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Ann Smith, FLMI, 2nd Vice President, Market Conduct, Conseco Senior Health Insurance Company, 11815 North Pennsylvania Street, P.O. Box 1911, Carmel, Indiana 46082; and the Bureau of Insurance in care of Deputy Commissioner Jacqueline K. Cunningham.