

AT RICHMOND, APRIL 9, 2008

2008 APR -9 P 12:38

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2008-00049

AETNA HEALTH, INC.,

Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-316 B, 38.2-316 C 1, subsection 1 of § 38.2-502, 38.2-503, 38.2-510 A 14, 38.2-510 A 15, 38.2-1812 A, 38.2-1833 A 1, 38.2-3405 A, 38.2-3407.4 A, 38.2-3407.15 B 1, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-3407.15 B 10, 38.2-3407.15 B 11, 38.2-3431 C 3, 38.2-3431 C 6, 38.2-5805 C, 38.2-5805 C 1, 38.2-5805 C 6, 38.2-5805 C 8 and 38.2-5805 C 10 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-210-70 B 2, 14 VAC 5-211-80 B, and 14 VAC 5-211-90 B.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 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 the Commission wherein the Defendant has tendered to the Commonwealth of Virginia the sum

of thirty-six thousand dollars (\$36,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order.

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;

(2) The Defendant cease and desist from any future conduct which constitutes a violation of §§ 38.2-316 B, 38.2-316 C 1, subsection 1 of § 38.2-502, 38.2-503, 38.2-510 A 14, 38.2-510 A 15, 38.2-1812 A, 38.2-1833 A 1, 38.2-3405 A, 38.2-3407.4 A, 38.2-3407.15 B 1, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-3407.15 B 10, 38.2-3407.15 B 11, 38.2-3431 C 3, 38.2-3431 C 6, 38.2-5805 C, 38.2-5805 C 1, 38.2-5805 C 6, 38.2-5805 C 8 or 38.2-5805 C 10 of the Code of Virginia, or 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-210-70 B 2, 14 VAC 5-211-80 B, or 14 VAC 5-211-90 B as documented in the market conduct examination report; and

(3) 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 Gail Yoder, Primary Coordinator, Aetna Health, Inc., 4050 Piedmont Parkway, F314, Highpoint, North Carolina 27265; and the Bureau of Insurance in care of Deputy Commissioner Jacqueline K. Cunningham.