

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, NOVEMBER 10, 2010

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COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2010-00191

CIGNA HEALTHCARE MID-ATLANTIC, 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 § 38.2-4306.1 B of the Code of Virginia by failing to comply with the requirements of processing interest on claim proceeds; violated §§ 38.2-316 A, 38.2-316 B, 38.2-316 C 1, 38.2-1318 C, 38.2-3407.4 A, and 38.2-4306 A 2 of the Code, as well as 14 VAC 5-211-60 A and 14 VAC 5-211-90 B, by failing to comply with policy and form requirements; violated §§ 38.2-1812 A, 38.2-1833 A 1, and 38.2-1834 D of the Code by failing to comply with agent licensing requirements; violated §§ 38.2-5802 C and 38.2-5805 B of the Code by failing to comply with the requirements governing health maintenance organizations; and violated §§ 38.2-510 A 15, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, and 38.2-3407.15 B 10 by failing to comply with the minimum fair business standards in processing and payment of claims for health care services.

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 Forty Thousand Dollars (\$40,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan contained in the Market Conduct Examination Report as of March 31, 2008.

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.

NOW 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.

Accordingly, IT IS 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
Julia M. Huggins, President, CIGNA HealthCare Mid-Atlantic, Inc., Wilde Building, B6LPA
900 Cottage Grove Road, Hartford, Connecticut 06152; A.J. Charman, III, Manager, Market

Conduct, CIGNA HealthCare Mid-Atlantic, Inc., Wilde Building, B6LPA 900 Cottage Grove Road, Hartford, Connecticut 06152; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Jacqueline K. Cunningham.