

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JANUARY 27, 2015

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2014-00220

CIGNA HEALTH AND LIFE INSURANCE COMPANY
and
CONNECTICUT GENERAL LIFE INSURANCE
COMPANY,

Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Cigna Health and Life Insurance Company and Connecticut General Life Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Commonwealth"), in certain instances violated §§ 38.2-3559 A, 38.2-3559 B, 38.2-3559 C, and 38.2-3559 D of the Code of Virginia ("Code") by failing to comply with notice requirements for external review; violated § 38.2-5804 A of the Code by failing to comply with procedures to establish and maintain a complaint system for each of its Managed Care Health Insurance Plans; and violated 14 VAC 5-216-30 A, 14 VAC 5-216-30 B, 14 VAC 5-216-70 A, and 14 VAC 5-216-130 of the Commission's Rules Governing Internal Appeal and External Review, 14 VAC 5-216-10 *et seq.* ("Rules"), by failing to comply with internal appeal and external review procedures.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a

defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have tendered to the Commonwealth the sum of Twenty-six Thousand Dollars (\$26,000), waived their right to a hearing, agreed to the entry by the Commission of a cease and desist order, and agreed to comply with the corrective action plan contained in the Bureau's letter dated October 3, 2014.

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

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

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) The Defendants shall cease and desist from any future violations of §§ 38.2-3559 A, 38.2-3559 B, 38.2-3559 C, 38.2-3559 D, or 38.2-5804 A of the Code, or Rules 14 VAC 5-216-30 A, 14 VAC 5-216-30 B, 14 VAC 5-216-70 A, or 14 VAC 5-216-130.
- (3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

A. J. Charman, III, Compliance Manager, Market Conduct Examinations, Regulatory & State

Government Affairs, Cigna Corporation, 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 Althelia P. Battle.

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