

# COMMONWEALTH OF VIRGINIA



SCOTT A. WHITE  
COMMISSIONER OF INSURANCE  
STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

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240860027

July 5, 2024

## SENT VIA ELECTRONIC MAIL

Jessica Kearney  
Market Conduct, Legal Compliance Senior Manager  
Cigna Healthcare Legal & Corporate Affairs  
State Government Affairs – Regulatory Operations

2024 AUG 22 P 2:15

REGULATORY COMPLIANCE  
S33 - CLERKS OFFICE

Re: Alleged Violations of Code of Virginia §§ 38.2-316 A, 38.2-316 C 1, 38.2-604 B 4, 38.2-1812 A, 38.2-1833 A 1, 38.2-1834 D, 38.2-3405 B, 38.2-3407.1 B, 38.2-3407.3 A, 38.2-3407.4 A, 38.2-3407.4 B, 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, 38.2-3407.15 B 10, 38.2-3407.15:1 B 1, 38.2-3407.15:1 B 2, 38.2-3407.15:1 B 3, 38.2-3407.15:1 B 4, 38.2-3407.15:1 B 5, 38.2-3407.15:1 B 6, 38.2-3407.15:1 B 7, 38.2-3407.15:1 B 8, 38.2-3407.15:1 B 9, 38.2-3407.15:1 C, 38.2-3407.15:2 B 1, 38.2-3407.15:2 B 2, 38.2-3407.15:2 B 3, 38.2-3407.15:2 B 4, 38.2-3407.15:2 B 5, 38.2-3407.15:2 B 6, 38.2-3407.15:2 B 7, 38.2-3407.15:2 B 8, 38.2-3407.15:3 B 2, 38.2-3407.15:3 B 4, 38.2-3407.15:3 C 1, 38.2-3407.15:3 C 3, 38.2-3407.15:4 C 1, 38.2-3407.15:4 C 3, 38.2-3412.1 B, 38.2-5804 A, and 38.2-5804 A 1; 14 VAC 5-216-40 E 2 of Rules Governing Internal Appeal and External Review; the Unfair Trade Practices Act, specifically subsection 1 of § 38.2-502, and §§ 38.2-510 A 6 and 38.2-514 B of the Code; 14 VAC 5-90-40 and 14 VAC 5-90-90 C of Rules Governing Advertisement of Accident and Sickness Insurance; and 14 VAC 5-400-70 A, 14 VAC 5-400-70 E, 14 VAC 5-400-100 B, and 14 VAC 5-400-100 C of Rules Governing Unfair Claim Settlement Practices. Case No. INS-2024-00064

Dear Ms. Kearney:

The Bureau of Insurance ("Bureau") conducted a target market conduct examination of Cigna Health and Life Insurance Company ("Cigna").

Based on the Bureau's findings, it is alleged that Cigna violated the following insurance laws and regulations: §§ 38.2-316 A, 38.2-316 C 1, 38.2-604 B 4, 38.2-1812 A, 38.2-1833 A 1, 38.2-1834 D, 38.2-3405 B, 38.2-3407.1 B, 38.2-3407.3 A, 38.2-3407.4 A, 38.2-3407.4 B, 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, 38.2-3407.15 B 10, 38.2-3407.15:1 B 1, 38.2-3407.15:1 B 2, 38.2-3407.15:1 B 3, 38.2-3407.15:1 B 4, 38.2-3407.15:1 B 5, 38.2-3407.15:1 B 6, 38.2-3407.15:1 B 7, 38.2-3407.15:1 B 8, 38.2-3407.15:1 B 9, 38.2-3407.15:1 C, 38.2-3407.15:2 B 1, 38.2-3407.15:2 B 2, 38.2-3407.15:2 B 3, 38.2-3407.15:2 B 4, 38.2-3407.15:2 B 5, 38.2-3407.15:2 B 6, 38.2-3407.15:2 B 7, 38.2-3407.15:2 B 8, 38.2-3407.15:3 B 2, 38.2-3407.15:3 B 4, 38.2-3407.15:3 C 1, 38.2-3407.15:3 C 3, 38.2-3407.15:4 C 1, 38.2-3407.15:4 C 3, 38.2-3412.1 B, 38.2-5804 A, and 38.2-5804 A 1 of the Code; 14 VAC 5-216-40 E 2 of Rules Governing Internal Appeal and External Review; the Unfair Trade Practices Act, specifically subsection 1 of § 38.2-502, and §§ 38.2-510 A 6, and 38.2-514 B of the Code; 14 VAC 5-90-40 and 14 VAC 5-90-90 C of Rules Governing Advertisement of Accident and Sickness Insurance; and 14 VAC 5-400-70 A, 14 VAC 5-400-70 E, 14 VAC 5-400-100 B, and 14 VAC 5-400-100 C of Rules Governing Unfair Claim Settlement Practices.

The provisions of §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code may result in monetary penalties up to \$5,000 per violation, a cease and desist order, and/or a suspension or revocation of your license to engage in the business of insurance in Virginia.

In correspondence dated March 17, 2023, Cigna acknowledged the examination findings and agreed to comply with the corrective action plan outlined in the examination report. Based on the documentation provided by Cigna between May 24, 2023, and August 17, 2023, the Bureau finds that Cigna has successfully completed various corrective action items<sup>1</sup>, but has not completed corrective action items 1, 4, 7, 8, 14, 15, 22, 26, 28, 29, 30, 31, 32, 34, 35, 37, 39, 40, and 42. Cigna must complete corrective action items 1, 4, 7, 8, 14, 15, 26, 28, 29, 34, 35, 37, 39, 40, and 42 and provide satisfactory documentation of completion thereof to the examiners by August 1, 2024, and Cigna must complete corrective action items 22, 30, 31, and 32 and provide satisfactory documentation of completion thereof to the examiners by December 31, 2024, or the Bureau may assess additional penalties against Cigna.

In view of the above alleged violations, and in recognition of Cigna's willingness to take corrective action on the remaining items listed above, the Bureau is willing to recommend a favorable settlement of this matter to the State Corporation Commission ("Commission"). This settlement offer is subject to the following conditions:

1. Cigna submits a certified or cashier's check or money order made payable to the Treasurer of Virginia in the amount of \$236,900;
2. Cigna submits a written statement that it agrees to (i) comply with, and continue to comply with, the corrective action plan set forth in the examination report; (ii) complete corrective action items 1, 4, 7, 8, 14, 15, 26, 28, 29, 34, 35, 37, 39, 40, and 42 and provide satisfactory documentation of completion thereof to the Bureau by August 1, 2024, or

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<sup>1</sup> The Bureau finds that Cigna has completed corrective action plan items 2, 3, 5, 6, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 23, 24, 25, 27, 33, 36, 38, 41, and 43.

- additional penalties may be assessed by the Bureau; (iii) complete corrective action items 22, 30, 31, and 32 and provide satisfactory documentation of completion thereof to the Bureau by December 31, 2024, or additional penalties may be assessed by the Bureau; and
3. Cigna understands it is entitled to a hearing in this matter and waives that right by offering this settlement.

For your convenience, we have enclosed a prepared settlement offer for your signature.

Should you decide to accept our recommendation for settlement, please have an authorized representative of the company sign, date and return the enclosed letter written on the company's letterhead, along with a check in the amount of \$236,900 made payable to the Treasurer of Virginia. These items should be sent via overnight delivery to Julie Blauvelt, Deputy Commissioner, at 1300 East Main Street, Richmond, Virginia 23219. Please send an electronic copy of these items to melissa.hayes@scc.virginia.gov. The Bureau cannot accept electronic payments of settlement offers.

If the Bureau does not receive your settlement offer by July 12, 2024, the Bureau will recommend to the Commission that a proceeding be initiated against Cigna to show cause why its license authority in the Commonwealth of Virginia should not be suspended or revoked; why a cease and desist order should not be entered against Cigna; and why Cigna should not be penalized by the imposition of a fine.

Please note that this letter and any attachments hereto will become part of the public case file at such time as a Commission Order in this matter is entered.

Any questions or concerns regarding the proposed settlement should be communicated to Bryan Wachter at bryan.wachter@scc.virginia.gov or at (804) 371-9745.

Very truly yours,



Julie Blauvelt  
Deputy Commissioner

Enclosure



Wilde Building, Routing B6LPA  
900 Cottage Grove Road  
Bloomfield, Connecticut 06002-2920

Julie Blauvelt  
Deputy Commissioner  
Bureau of Insurance  
1300 East Main Street  
Richmond, VA 23219

**RE: Alleged violations of Code of Virginia §§ 38.2-316 A, 38.2-316 C 1, 38.2-604 B 4, 38.2-1812 A, 38.2-1833 A 1, 38.2-1834 D, 38.2-3405 B, 38.2-3407.1 B, 38.2-3407.3 A, 38.2-3407.4 A, 38.2-3407.4 B, 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, 38.2-3407.15 B 10, 38.2-3407.15:1 B 1, 38.2-3407.15:1 B 2, 38.2-3407.15:1 B 3, 38.2-3407.15:1 B 4, 38.2-3407.15:1 B 5, 38.2-3407.15:1 B 6, 38.2-3407.15:1 B 7, 38.2-3407.15:1 B 8, 38.2-3407.15:1 B 9, 38.2-3407.15:1 C, 38.2-3407.15:2 B 1, 38.2-3407.15:2 B 2, 38.2-3407.15:2 B 3, 38.2-3407.15:2 B 4, 38.2-3407.15:2 B 5, 38.2-3407.15:2 B 6, 38.2-3407.15:2 B 7, 38.2-3407.15:2 B 8, 38.2-3407.15:3 B 2, 38.2-3407.15:3 B 4, 38.2-3407.15:3 C 1, 38.2-3407.15:3 C 3, 38.2-3407.15:4 C 1, 38.2-3407.15:4 C 3, 38.2-3412.1 B, 38.2-5804 A, and 38.2-5804 A 1; 14 VAC 5-216-40 E 2 of Rules Governing Internal Appeal and External Review; the Unfair Trade Practices Act, specifically subsection 1 of § 38.2-502, and §§ 38.2 510 A 6 and 38.2-514 B of the Code; 14 VAC 5-90-40 and 14 VAC 5-90-90 C of Rules Governing Advertisement of Accident and Sickness Insurance; and 14 VAC 5-400-70 A, 14 VAC 5-400-70 E, 14 VAC 5-400-100 B, and 14 VAC 5-400-100 C of Rules Governing Unfair Claim Settlement Practices Case No. INS-2024-00064**

Dear Ms. Blauvelt:

This will acknowledge receipt of the Bureau of Insurance's ("Bureau") letter dated July 5, 2024, concerning the above-referenced matter.

Cigna Health and Life Insurance Company ("Cigna") wishes to make a settlement offer for the alleged violations cited above. Specifically, we agree to:

1. Enclose with this letter a certified check, cashier's check or money order payable to the Treasurer of Virginia in the amount of \$236,900;
2. Comply with, and continue to comply with, the corrective action plan set forth in the examination report;
3. Complete corrective action items 1, 4, 7, 8, 14, 15, 26, 28, 29, 34, 35, 37, 39, 40, and 42 and provide satisfactory documentation of completion thereof to the Bureau by August 1, 2024, or additional penalties may be assessed by the Bureau;

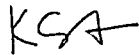
"Cigna Healthcare" and the "Tree of Life" logo are service marks of Cigna Intellectual Property, Inc., licensed for use by The Cigna Group and its operating subsidiaries. All products and services are provided by or through such operating subsidiaries and not by The Cigna Group. Such operating subsidiaries include Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company, Cigna Health Management, Inc., Evernorth Care Solutions, Inc., Evernorth Behavioral Health, Inc., and HMO or service company subsidiaries of Cigna Health Corporation and Cigna Dental Health, Inc.

- 4. Complete corrective action items 22, 30, 31, and 32 and provide satisfactory documentation of completion thereof to the Bureau by December 31, 2024, or additional penalties may be assessed by the Bureau; and,
- 5. Acknowledge Cigna's right to a hearing before the State Corporation Commission in this matter and waive that right if the State Corporation Commission accepts this offer of settlement.

This offer is being made solely for the purpose of a settlement and does not constitute, nor should it be construed as, an admission of any violation of law.

Sincerely,

Cigna Health and Life Insurance Company



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(Signed)

Katie Stewart  
(Type or Print Name)

Regional Vice President  
(Title)

July 9, 2024  
(Date)

Enclosure