

STATE OF MISSOURI



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

In Re:

CIGNA HEALTH AND LIFE
INSURANCE COMPANY
(NAIC #67369)

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Market Conduct Investigation
No. 377424

ORDER OF THE DIRECTOR

NOW, on this 09th day of June, 2023, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”), and Cigna Health and Life Insurance Company (NAIC #67369) (hereinafter “CHLIC”), relating to the market conduct investigation no. 377424, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 is in the public interest.

IT IS THEREFORE ORDERED that CHLIC and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that CHLIC shall not engage in any of the violations of statutes and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

IT IS FURTHER ORDERED that CHLIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$1,000.00, payable to the Missouri State School Fund.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 09th day of June, 2023.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

<i>In Re:</i>)	
)	
CIGNA HEALTH AND LIFE)	Market Conduct Investigation
INSURANCE COMPANY)	No. 377424
(NAIC #67369))	

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (the "Division") and Cigna Health and Life Insurance Company ("CHLIC" or the "Company") as follows:

WHEREAS, the Division is a unit of the Missouri Department of Commerce and Insurance (the "Department"), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State of Missouri;

WHEREAS, CHLIC has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a market conduct investigation of CHLIC, Investigation No. 377424; and

WHEREAS, based on the market conduct investigation of CHLIC, the Division alleges that:

1. CHLIC gave rebates in the form of Premium Waivers (Transitional Relief Credits or TRCs) to thirteen Missouri large groups in connection with the sale of new stop loss or new medical insurance contracts. The premium waivers were not specified in the insurance contracts or applications in violation of §§ 375.936(9)(a) and 375.934(2).

2. CHLIC failed to file its group insurance proposals that are part of the application, in violation of § 376.405 and 20 CSR 100-9.100.

3. CHLIC failed to maintain policy records, including insurance applications and the names and license numbers of producers, in violation of 20 CSR 100-8.040(2) and 20 CSR 100-8-040(3)(A)(1).

WHEREAS. the Division and CHLIC have agreed to resolve the issues raised in the market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (“Stipulation”) embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories declare and represent that no promise, inducement, or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this Stipulation are contractual and not a mere recital.

B. **Remedial Action.** CHLIC agrees to take remedial action bringing into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all time. Such remedial actions shall include the following:

1. CHLIC agrees that it will not pay, allow, or give, directly or indirectly, premium credits, TRCs, or any other valuable consideration or inducement to insurance, or any special favor or advantage in the dividends or other benefits thereon to a Missouri group or insured with the intention of inducing the purchase of an insurance contract outside the provisions of the insurance contract, in compliance with § 375.936(9)(a).

2. CHLIC agrees that it will adhere to the provisions of the contracts sold.

3. CHLIC agrees to discontinue using unfiled forms, including proposals attached to the application. Within 90 days of the Order approving this Stipulation, CHLIC, agrees to take

action to bring itself in compliance with § 376.405 and 20 CSR 100-9.100. This remedial action shall apply to all applications currently being used by CHLIC, which includes HP-APP-40 and HP-APP-7.

4. CHLIC agrees that it will maintain policy records in compliance with 20 CSR 100-8.040(2) and 20 CSR 100-8.040(3)(A)(1). This shall include, but not be limited to, maintaining all group insurance applications and the names and license numbers of the producers involved in the transactions.

C. **Compliance.** CHLIC agrees to file documentation pursuant to § 374.190 with the Division, in a format acceptable to the Division, within 60 days of the entry of an Order approving this Stipulation, of any remedial action to implement compliance with the terms of Sections B1 through B4 of this Stipulation.

D. **Confidentiality.** The materials submitted by CHLIC in compliance with this Stipulation shall be maintained as confidential in accordance with §374.071.1(2).

E. **Voluntary Forfeiture.** CHLIC agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$1,000.00, such sum payable to the Missouri State School Fund, in accordance with §§ 374.049.11 and 374.280.2.

F. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by CHLIC, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above-referenced market conduct investigation.

G. **Waivers.** CHLIC, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to procedural requirements, including notice and an opportunity for a hearing and review or appeal by any trial or appellate court, which may have otherwise applied to the market conduct investigation no. 377424.

H. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by authorized representatives of the Division and CHLIC.

I. **Governing Law.** This stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

J. **Authority.** The signatories below represent, acknowledge, and warrant that they are authorized to sign this Stipulation on behalf of the Division and Cigna, respectively.

K. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or electronically transmitted signature shall be fully and legally effective and binding.

L. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director of the Department (the "Director") approving this Stipulation.

M. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: May 29, 2023



Teresa Krill
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 5/25/23



Kristin Jordal
Regional Growth Leader
Cigna Health and Life Insurance Co.

