

STATE OF MISSOURI



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
 CELTIC INSURANCE COMPANY) **Market Conduct Examination No. 337586**
 (NAIC # 80799))
)

ORDER OF THE DIRECTOR

NOW, on this 15th day of December, 2023, Director, Chlora Lindley-Myers, after consideration and review of the market conduct examination report of Celtic Insurance Company (hereinafter “Celtic”), examination report number #337586, prepared and submitted by the Division of Insurance Market Regulation (hereinafter “Division”) pursuant to §374.205.3(3)(a)¹, does hereby adopt such report as filed. After consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (“Stipulation”), relating to the market conduct examination #337586, the examination report, relevant work papers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be the Director’s findings and conclusions accompanying this order pursuant to §374.205.3(4). The Director does hereby issue the following orders:

This order, issued pursuant to §374.205.3(4) and §374.046.15. RSMo, is in the public interest.

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

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

IT IS FURTHER ORDERED that Celtic 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.

IT IS FURTHER ORDERED that Celtic shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$9,000.00, 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 15th day of December, 2023.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

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

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 CELTIC INSURANCE COMPANY) **Market Conduct Examination No. 337586**
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STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the "Division"), and Celtic Insurance Company (hereinafter "Celtic"), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Commerce and Insurance (hereinafter 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, Celtic 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 examination of Celtic, examination no. 337586;

WHEREAS, "Celtic identified and reported 27 errors prior to and during the market conduct examination that resulted in violations of §375.144 (2), §375.445.1 (2), §375.934.2, §375.936(6), §375.1005.2, §375.1007(1, 3, 4), §376.384.1, §376.388.3, §376.391, §376.1224, §376.1363.2 (1, 2), 20 CSR 100-1.020 (1) (A), 20 CSR 100-1.050 (1) (A), and 20 CSR 400-5.700 (4) (A)."

WHEREAS, based on the market conduct examination of Celtic, the Division found the following additional errors:

1. Celtic did not retain 16 call recordings in their system that maintained member telephone

inquiries regarding complaints, in violation of §374.205.2 (2) and 20 CSR 100-8.040 (2).¹

2. Celtic's provider directory contained various inaccuracies, in violation of §375.144 (2), §375.936 (6) (a) and §375.934.2.

3. Celtic did not timely provide complete records in response to two formal requests in violation of §374.205.2 (2) and 20 CSR 100-8.040 (6) (A).

4. Celtic did not timely credential a provider resulting in the improper denial of 196 claims, implicating the provisions of §375.1007 (4).

WHEREAS, the Division and Celtic have agreed to resolve the issues raised in the market conduct examination as follows:

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

B. Remedial Action. Celtic agrees to take remedial action in response to the four errors found during the examination and in response to the 27 errors reported to the Division and agrees to maintain those remedial actions at all times. Such remedial actions shall include the following:

1. Celtic has taken numerous remedial actions in response to the issues found in the examination. Celtic agrees to take further measures going forward to ensure that the errors found in the examination do not recur.

2. Celtic agrees to document its complaint handling practices in a manner that its complaint

¹ All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri, as amended.

handling practices are readily ascertainable during a market conduct examination.

3. Celtic agrees to adopt and implement policies and procedures to ensure that its marketing and sales materials are accurate.

4. Celtic agrees to adopt and implement policies and procedures to ensure that its provider directories are accurate.

5. Celtic agrees to adopt and implement policies and procedures to ensure that member facing communications are accurate.

6. Celtic agrees to adopt and implement policies and procedures to ensure that it correctly processes claims.

7. Celtic agrees to conduct a review to determine if out-of-network providers were allowed up to one year to file claims in 2018 and 2019. If any claims were improperly denied as untimely, Celtic will reprocess the claim and issue payment if the claim was otherwise payable. Interest will be included with the payment in an amount to be determined pursuant to §374.191.

8. Celtic agrees that it will review all claims denied between March 2, 2018 and September 12, 2018 because Celtic failed to timely credential a provider. Celtic further agrees that these claims will be reprocessed as in-network and that interest will be included with any claim payment in an amount to be determined pursuant to §374.191.

9. To the extent it has not already done so, Celtic agrees to provide the Division with full documentation of all payments made to members or providers impacted by the issues found during the examination.

10. Celtic agrees to pay interest, in an amount to be determined pursuant to §374.191, in any instance where financial remediation was made in connection with any issue contained in the final examination report. Interest shall be calculated from the date of the error until the date of the Order approving this Stipulation. Celtic is not required to pay interest where the accrued amount

owed is \$5.00 or less.

C. **Compliance.** Celtic agrees to file documentation pursuant to §374.205 with the Division, in a format acceptable to the Division, within 90 days of the entry of an Order approving this Stipulation, of all remedial payments made to members or providers in connection with this examination, including payments of interest made pursuant to this stipulation. Celtic also agrees to provide the Division with a written report outlining all remedial measures taken since the date this Stipulation was signed to ensure that the errors found in the examination do not recur. Such report shall be due six months after the date of the Order approving this Stipulation.

D. **Voluntary Forfeiture.** Celtic agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$9,000, such sum payable to the Missouri State School Fund, in accordance with §§374.049.11 and 374.280.2.

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

F. **Waivers.** Celtic, 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 examination no. 337586.

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

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

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

J. **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 by electronically transmitted signature shall be fully and legally effective and binding.

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

L. **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: December 8, 2023



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 11/08/2023



Name: Kevin Counihan
Title: President
Celtic Insurance Company