



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
HUMANA INSURANCE COMPANY) Market Conduct Investigation No. 353103
(NAIC #73288))

ORDER OF THE DIRECTOR

NOW, on this 17th day of June, 2021, 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 Humana Insurance Company (NAIC #73288) (hereinafter “Humana”), relating to the market conduct investigation no. 353103, 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 Humana and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Humana shall not engage in any of the violations of law 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, as amended, or to the Code of State Regulations, 2020, as amended.

IT IS FURTHER ORDERED that Humana shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$500.00, 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 17th day of June, 2021.



Chlora Lindley Myers
Chlora Lindley Myers
Director

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

In Re:)
)
HUMANA INSURANCE COMPANY) **Market Conduct Investigation**
(NAIC #73288)) **No. 353103**

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Humana Insurance Company (NAIC #73288) (hereinafter “Humana”), 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, Humana 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 Humana, investigation #353103; and

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

1. Humana failed to process chiropractic claims in accordance with the members’ policy provisions in violation of §375.1007(4)¹ and §375.1005.

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

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended or to the Code of State Regulations, 2020, as amended.

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.** Humana agrees to take remedial action to ensure compliance with the statutes and regulations of Missouri and agrees to maintain such remedial actions at all times, to reasonably ensure that the allegations noted in the market conduct investigation and in this Stipulation do not occur in the future. Such remedial actions shall consist of the following:

1. To the extent it has not already done so, Humana agrees to ensure plan build configurations and plan benefits as they relate to chiropractic benefits are accurately installed and applied.

2. Humana agrees to review all paid and processed chiropractic claims assessing a copayment, which were processed between August 31, 2016 through August 31, 2018 to ensure chiropractic benefits were processed in accordance with the member’s policy provisions and §376.391. If a claim was processed with a member liability of 50% of the allowable amount exceeding the policy chiropractic copayment benefit, then Humana agrees to reprocess and pay any claim based upon the terms of the policy. Interest will be included with all restitution payments in an amount determined pursuant to §374.191. An Explanation of Benefits (“EOB”) shall be included with any payment to a member and an Explanation of Reimbursement (“EOR”) shall be included with any payment to a provider. In the event that a member contacts Humana in connection with the payment or EOB or a provider contacts Humana in connection with the payment or the EOR, Humana will explain to the member or provider that as a result of a Missouri market conduct investigation, it was discovered that a claims payment is due to the member or

provider, as appropriate.

C. **Compliance.** Humana agrees to file documentation with the Division, in a format acceptable to the Division, within 90 days of the entry of a final order of any remedial action taken pursuant to Paragraph B to implement compliance with the terms of this Stipulation. Such documentation is provided pursuant to §374.190.

D. **Ongoing Investigation.** Humana agrees to pay any reasonable investigation fees expended by the Division in conducting its review of the documentation provided by Humana pursuant to Paragraph C of this Stipulation.

E. **Voluntary Forfeiture.** Humana agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$500.00 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 Humana, 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.** Humana, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for 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 above-referenced market conduct investigation.

H. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Humana.

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 Humana 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 and delivery of this Stipulation by facsimile or by an electronically transmitted signature shall be fully and legally effective and binding.

L. **Effect of Stipulation.** This Stipulation shall become effective only upon entry of a Final Order by the Director of the Department (hereinafter 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: 6-8-2021



Stewart Freilich
Chief Market Conduct Examiner and
Senior Counsel
Division of Insurance Market Regulation

DATED: 6/3/2021



Kristie A. Daugherty
Associate Vice President, Group, Military &
Specialty Regulatory Compliance
Humana Insurance Company