

**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

TO: United Healthcare Insurance Co.
Office of the President
13655 Riverport Dr.
Maryland Heights, MO 63043

RE: Missouri Market Conduct Examination # 0308-32-PPE

**STIPULATION OF SETTLEMENT AND
VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by Douglas M. Ommen, Director of the Missouri Department of Insurance, Financial Institutions, and Professional Registration, hereinafter referred to as "Director," and United Healthcare Insurance Company, hereinafter referred to as "UHCIC," as follows:

WHEREAS, Douglas M. Ommen is the Director of the Department of Insurance, Financial Institutions, and Professional Registration (hereafter referred to as "DIFP"), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business UHCIC has been granted certificate(s) of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Examination of UHCIC and prepared report number 0308-32-PPE; and

WHEREAS, the report of the Market Conduct Examination has revealed that:

1. In some instances, UHCIC failed to maintain its claims records in a manner in which the examiners could readily ascertain the claims handling process, thereby violating §§374.205.2(2), 375.1007(3), 376.383, and 376.384, RSMo, and Missouri Regulations 20 CSR 300-2.100 and 20 CSR 300-2.200(3)(B).

2. In some instance, UHCIC failed to pay claims within 45 days from the date of receipt and failed to pay interest on those claims that were paid after 45 days. These actions thereby violated §376.383.5, RSMo.

3. In some instances, UHCIC failed to failed to maintain documents to verify that confirmation of receipts of electronic claims were sent within one (1) working day after receiving those electronic claims, in that the Company failed to maintain and track claims that were received by its clearinghouses, which were acting as its third party contractor (TPC), thereby violating §§376.383 and 376.384, RSMo, and 20 CSR 300-2.100 and 20 CSR 300-2.200(3)(B).

4. In some instances, UHCIC failed to maintain its claim files in a claims system in a manner that was archival in nature for a period of three (3) years, as required by Missouri Regulation 20 CSR 300-2.200.

5. In some instances, UHCIC failed to ensure and maintain and provide documentation to the examiners that its third party contractors were forwarding rejection notices and the reason for the rejection to the claimants, as required by §§375.1007(3), and 376.383(9), RSMo, and Missouri Regulation 20 CSR 300-2.200.

6. In some instances, UHCIC failed to conduct a reasonable investigation prior to denying a claim, thereby violating §§375.1007(6) and 376.383.5, RSMo.

7. In some instances, UHCIC failed to provide copies of the provider's explanation of benefits or provider remittance advice sent to a health care provider when a claim is paid or denied, as required by §376.1400.1, RSMo, and Missouri Regulation 20 CSR 2.200(2).

8. In some instances, UHCIC failed to respond to examiner criticisms within 10 working days of receipt of the criticism and failed to provide all files, notes, and work papers pertaining to claims to the examiners upon request in such detail that all pertinent events and the dates of the events could be reconstructed, thereby violating §§376.383.9, RSMo, and Missouri Regulations 20 CSR 300-2.100 and 20 CSR 300-2.200(3)(B)1.

WHEREAS, without admitting or denying the above allegations, UHCIC hereby agrees to take the following corrective remedial actions and agrees to maintain those corrective actions at all times, including, but not limited to, the following;

1. UHCIC agrees to take corrective action to assure that the errors noted in the market conduct examination report do not recur; and

2. UHCIC agrees to review all electronic claims filed between January 1, 2002, and December 31, 2007, that were paid after 45 days of receipt and send interest payment to the claimants with a letter stating that the interest payments are being paid "as a result of findings from a market conduct examination performed by the Missouri Department of Insurance, Financial

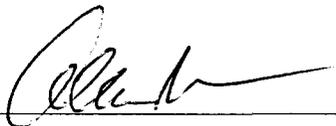
Institutions, and Professional Registration.” Additionally evidence should be provided to the Department, within 180 days of payment, that such interest payments have been made.

WHEREAS, UHCIC, 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, which may have otherwise applied to the above referenced Market Conduct Examination.

WHEREAS, UHCIC hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Examination #0308-32-PPE further agrees, voluntarily and knowingly to surrender and forfeit the sum of \$200,575.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of UHCIC to transact the business of insurance in the State of Missouri or the imposition of other sanctions, UHCIC does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director and does surrender and forfeit the sum of \$200,575, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: 1/23/08



President
United Healthcare Insurance Co.