



## NEWS RELEASE

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FOR IMMEDIATE RELEASE

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### **Aetna Health Inc. and Aetna Life Insurance Company Fined \$624,000 for Market Conduct Violations Affecting Consumers**

DORA's Colorado Division of Insurance recently completed market conduct examinations that identified violations of Colorado insurance laws by two Aetna companies. The final market conduct orders resulted in fines totaling \$294,000 for Aetna Health Inc. and \$330,000 for Aetna Life Insurance Company.

"These market conduct examinations and resulting fines reflect the responsibility for carriers to maintain the highest standards when delivering services to Colorado consumers," said Insurance Commissioner Marcy Morrison. "Companies must fulfill their responsibilities to the consumers and treat them fairly."

The market conduct examinations, which covered calendar year 2008, identified violations of a number of issues for both companies, including:

- missing or incorrect information provided in its policy forms and provider contracts,
- providing incomplete information in certificates of creditable coverage,
- failing to pay claims timely and accurately,
- failing to comply with the notification requirements for utilization review,
- failing to ensure that utilization review panel members had the appropriate expertise to review the case being presented, and
- failing to include the names, titles and qualifying credentials of review panel members in second level utilization review notification letters.

Aetna Life Insurance Company also had violations for failing to offer coverage under the state mandated basic and standard plans to individuals whose coverage under a small group plan had terminated, or who were denied coverage under an individual plan.

The companies have responded to the final agency orders and submitted payment of the fines on March 18, 2010.

The final agency orders require both companies to document that changes are made to correct the problems listed in the report within specific timeframes. The companies must report back to the Division of Insurance in writing, documenting changes and improvements, by the required deadlines.

Copies of the market conduct examination reports and final agency orders are available on the Division of Insurance's website at <http://www.dora.state.co.us/insurance/mcexam/MarketRegChron.htm>

DORA's Division of Insurance conducts market conduct examinations of insurance companies and health carriers to be sure that the companies are in compliance with Colorado insurance law and regulations with respect to rating, underwriting and claim practices. Exams can be scheduled based on consumer complaint activity, other indications of potential issues within the company, or at regular intervals. The examination attempts to identify areas where an insurer or carrier has not complied with laws relating to the distribution of products to consumers and settlement of claims.

Market conduct examination reports document the findings of the Division's examiners. The reports indicate violations of the law, if any, discovered during the exam. The reports also summarize actions taken by the companies to correct any alleged non-compliant practices.

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*DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.*