



OFFICE OF INSURANCE REGULATION

**FILED**

NOV 24 2015

OFFICE OF  
INSURANCE REGULATION  
Docketed by: JFD

KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 180482-15-CO

COVENTRY HEALTH CARE OF FLORIDA, INC.,  
COVENTRY HEALTH PLAN OF FLORIDA, INC., and  
COVENTRY HEALTH AND LIFE INSURANCE COMPANY

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement among COVENTRY HEALTH CARE OF FLORIDA, INC., COVENTRY HEALTH PLAN OF FLORIDA, INC., COVENTRY HEALTH AND LIFE INSURANCE COMPANY (hereinafter referred to as the "COVENTRY COMPANIES"), AETNA HEALTH HOLDINGS, LLC (hereinafter referred to as "AETNA"), and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. COVENTRY HEALTH CARE OF FLORIDA, INC. and COVENTRY HEALTH PLAN OF FLORIDA, INC. are domestic Health Maintenance Organizations (hereinafter referred to as "HMO") authorized to transact insurance business in Florida and subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.

3. Domiciled in Missouri, COVENTRY HEALTH AND LIFE INSURANCE COMPANY is a foreign life and health insurer authorized to transact insurance business in Florida and subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.

4. The COVENTRY COMPANIES are wholly-owned subsidiaries of AETNA.

5. In February 2015, the OFFICE became aware that COVENTRY HEALTH PLAN OF FLORIDA, INC. filed an actuarial certification under the name of an actuary who had not reviewed the filing or authorized the submission of the certification.

6. This prompted the OFFICE to conduct an investigation of the COVENTRY COMPANIES pursuant to Sections 641.27 and 624.318, Florida Statutes. As a result of the investigation, the OFFICE has determined that the COVENTRY COMPANIES made eleven filings over a one year period containing actuarial certifications which had not been reviewed or authorized by the actuary whose signature appeared on the certifications. The false actuarial certifications were made in Florida filing numbers 14-04320, 14-04321, 14-02871, 15-02702, 14-00811, 14-00812, 14-02105, 14-00669, 14-00810, 14-02108, and 14-02872.

7. As a result, the COVENTRY COMPANIES filed eleven false statements or entries with the OFFICE, in violation of Section 626.9541(1)(e), Florida Statutes and Section 641.3903(4), Florida Statutes.

8. The COVENTRY COMPANIES and AETNA agree that upon the execution of this Consent Order, they shall be subject to the following terms and conditions:

a. The COVENTRY COMPANIES or AETNA shall pay a penalty of one hundred thousand U.S. Dollars (\$100,000.00) and administrative costs of three thousand U.S.

Dollars (\$3,000.00) on or before the thirtieth (30<sup>th</sup>) day after which this Consent Order is executed.

b. The COVENTRY COMPANIES and AETNA shall implement appropriate internal controls and procedures to ensure that actuarial certifications filed with the OFFICE are reviewed and authorized by the actuary signing the certification.

9. The OFFICE, the COVENTRY COMPANIES, and AETNA expressly waive a hearing in this matter, as well as the making of findings of fact and conclusions of law by the OFFICE and all further and/or other proceedings to which the parties may be entitled, either by law or by rules of the OFFICE. The COVENTRY COMPANIES and AETNA hereby knowingly and voluntarily waive all rights to challenge or to contest this Order, in any forum now available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

10. The COVENTRY COMPANIES and AETNA agree that failure to adhere to one or more of the terms and conditions of this Order shall constitute a violation of a lawful order of the OFFICE, and shall subject the COVENTRY COMPANIES or AETNA to such administrative action as the OFFICE may deem appropriate.

11. The COVENTRY COMPANIES are hereby placed on notice of the requirements of the above-referenced sections of law and agree that any future violations of these sections or the statutes named therein by AETNA or the COVENTRY COMPANIES may subject them to further fines, other administrative penalties or actions, or criminal prosecution as deemed appropriate.

12. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

WHEREFORE, the agreement between the COVENTRY COMPANIES, AETNA, and the OFFICE, subject to the terms and conditions of set forth above, is approved.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 24TH day of NOVEMBER, 2015.



*Kevin M. McCarty*  
Kevin M. McCarty  
Commissioner  
Office of Insurance Regulation

By execution hereof COVENTRY HEALTH AND LIFE INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind COVENTRY HEALTH AND LIFE INSURANCE COMPANY to the terms and conditions of this Consent Order.

COVENTRY HEALTH AND LIFE INSURANCE COMPANY

By: *Christopher A. Ciano*

Corporate Seal

Christopher Ciano  
Chief Executive Officer

Title: \_\_\_\_\_

Date: 11/16/15

STATE OF Florida

COUNTY OF Broward

The foregoing instrument was acknowledged before me this 16 day of November 2015,

by Christopher A. Ciano as Chief Executive officer  
(Name of Person) (Type of Authority)

for Coventry Health and Life  
(Company Name)

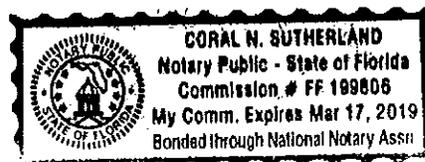
*Coral N. Sutherland*  
(Signature of the Notary)

CORAL N. SUTHERLAND  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  or Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

My Commission Expires: March 17, 2019

[NOTARIAL SEAL]



By execution hereof COVENTRY HEALTH PLAN OF FLORIDA, INC., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind COVENTRY HEALTH PLAN OF FLORIDA, INC., to the terms and conditions of this Consent Order.

COVENTRY HEALTH PLAN OF FLORIDA, INC.

Corporate Seal

By: *Christopher Ciano*  
**Christopher Ciano**  
Chief Executive Officer

Title: \_\_\_\_\_

Date: 11/16/15

STATE OF Florida

COUNTY OF Broward

The foregoing instrument was acknowledged before me this 16 day of November 2015,

by Christopher Ciano as Chief Executive Officer  
(Name of Person) (Type of Authority)

for Coventry Health Plan of Florida  
(Company Name)

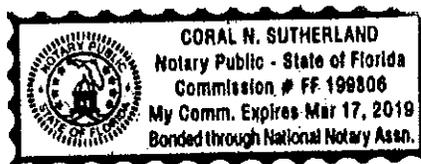
Coral N. Sutherland  
(Signature of the Notary)

CORAL N. SUTHERLAND  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  or Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

My Commission Expires: March 17, 2019

[NOTARIAL SEAL]



By execution hereof COVENTRY HEALTH CARE OF FLORIDA, INC., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind COVENTRY HEALTH CARE OF FLORIDA, INC., to the terms and conditions of this Consent Order.

COVENTRY HEALTH CARE OF FLORIDA, INC.

By: *Christopher Ciano*

Corporate Seal

Christopher Ciano  
Chief Executive Officer

Title: \_\_\_\_\_

Date: 11/18/15

STATE OF Florida

COUNTY OF Broward

The foregoing instrument was acknowledged before me this 16 day of November 2015,

by Christopher Ciano as Chief Executive Officer  
(Name of Person) (Type of Authority)

for Coventry Health Care of Florida  
(Company Name)

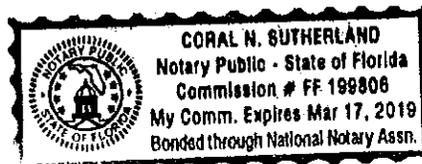
Coral N. Sutherland  
(Signature of the Notary)

CORAL N. SUTHERLAND  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  or Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

[NOTARIAL SEAL]

My Commission Expires: March 17, 2019



By execution hereof AETNA HEALTH HOLDINGS, LLC consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind AETNA HEALTH HOLDINGS, LLC. to the terms and conditions of this Consent Order.

AETNA HEALTH HOLDINGS, LLC



By: [Signature]  
Edward C. Lee  
Print or Type Name

Title: Vice President and Secretary

Date: November 16, 2015

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of November 2015,

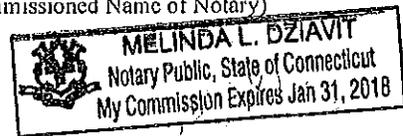
by Edward C. Lee as Vice President and Secretary  
(Name of Person) (Type of Authority)

for Aetna Health Holdings, LLC  
(Company Name)

[Signature]  
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  or Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_



My Commission Expires: 01/31/2018

[NOTARIAL SEAL]



COPIES FURNISHED TO:

CHRISTOPHER CIANO, PRESIDENT & CEO  
Coventry Health Care of Florida, Inc. and  
Coventry Health Plan of Florida, Inc.  
1340 Concord Terrace  
Sunrise, FL 29787

MICHAEL BAHR, PRESIDENT  
Coventry Health and Life Insurance Company  
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Bethesda, MD 20818

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1100 Abernathy Road – F350  
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Tallahassee, Florida 32399-4210

ANDREW MARCUS  
Florida Office of Insurance Regulation  
Legal Services Office  
200 East Gaines Street  
Larson Building  
Tallahassee, FL 32399-4206

**INVOICE**

*ADMINISTRATIVE PENALTY IMPOSED BY CONSENT ORDER*

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Financial Services and **return this invoice with your payment** to:

**Department of Financial Services  
Revenue Processing Section  
P.O. Box 6100  
Tallahassee, Florida 32314-6100**

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**REFERENCE**

NAME: Coventry Health Care of Florida, Inc.  
Coventry Health Plan of Florida, Inc.  
Coventry Health and Life Insurance Company  
Aetna Health Holdings, LLC

ADDRESS:  
CITY, STATE, ZIP:  
FEIN: 65-0986441  
65-0453436  
75-1296086

NAIC COCODE: 95114  
95266  
81973

CASE #: 180482-15-CO  
ATTORNEY: Andrew Marcus  
SOURCE: Market Investigations/Investigation #29787,  
29783, 29786

***Fine Due: \$100,000.00  
Costs Due: \$ 3,000.00  
Total Amount Due: \$103,000.00***

***Amount Remitted:***

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**OFFICIAL USE ONLY – [PLEASE DO NOT MARK BELOW THIS LINE]**

<u>B/T</u>	<u>T/C</u>	<u>F/T</u>	<u>AMOUNT</u>
C	1105	J	\$100,000.00
C	1249	J+	\$ 3,000.00