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~~CONFIDENTIAL~~ SPB

**OFFICE OF INSURANCE REGULATION**

**KEVIN M. MCCARTY**  
COMMISSIONER

IN THE MATTER OF:

**CASE NO. 86451-06-CO**

**AETNA HEALTH INC.**

Life and Health Market Investigation

**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between AETNA HEALTH INC. (hereinafter referred to as "AETNA HEALTH") 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. AETNA HEALTH is a domestic health maintenance organization authorized to transact business in Florida, and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE has conducted an investigation of AETNA HEALTH pursuant to Section 641.27, Florida Statutes. As a result of such investigation, the OFFICE has determined

that AETNA HEALTH provided premium quotations for one-life groups enrolling during the one-life open enrollment in August 2005 that were not consistent with its filed and approved rates, and in so doing committed the following violations of the Florida Insurance Code:

a. *Section 641.31(2), Florida Statutes*, which states in pertinent part that “[t]he rates charged by any health maintenance organization to its subscribers shall not be excessive, inadequate, or unfairly discriminatory or follow a rating methodology that is inconsistent, indeterminate, or ambiguous or encourages misrepresentation or misunderstanding.”

b. *Section 641.31(3)(d), Florida Statutes*, which states in pertinent part that “[a]ny change in rates charged for the contract must be filed with the Office not less than 30 days in advance of the effective date.”

c. *Rule 690-149.037(4), Florida Administrative Code* – Calculation of premium rates: Rate filing requirements.

4. AETNA HEALTH agrees that upon the execution of this Consent Order, it shall be subject to the following terms and conditions:

a. AETNA HEALTH shall pay administrative costs in the amount of Fifteen Hundred Dollars (\$1,500.00), on or before the 30th day after this Consent Order is executed.

b. AETNA HEALTH shall, within 30 days of execution of this Consent Order, provide a copy, certified by an officer of the Company to be true and correct, of procedures implemented to assure that upon the October 1, 2006 renewal, the affected policies will be increased by the percentage of understated 2005 premium plus any approved percentage increase in premium for 2006. The total October 1, 2006 premium increase will be limited to 25% more than the premium charged beginning October 1, 2005. Future annual premium

increases will continue to be limited to 25% until all policies are in compliance with the approved rates in effect at that time.

5. **AETNA HEALTH** is hereby placed on notice of the requirements of the above-referenced sections of law and agrees that any future violations of these sections by **AETNA HEALTH** may be deemed willful, subjecting **AETNA HEALTH** to appropriate penalties.

6. **AETNA HEALTH** affirms that all representations and requirements set forth herein are material to the issuance of this Consent Order. Violation of any part of this Consent Order shall constitute a violation of a lawful order of the **OFFICE** and may subject **AETNA HEALTH** to one or more of the administrative remedies available under the Florida Insurance Code or other applicable law.

7. **AETNA HEALTH** expressly waives its right to a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the **OFFICE**, and all further and other proceedings herein to which the parties may be entitled by law or rules of the **OFFICE**. **AETNA HEALTH** hereby knowingly and voluntarily waives all rights to challenge or to contest this Order, in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

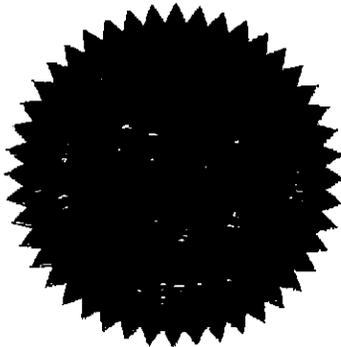
8. The parties agree that this Consent Order shall be deemed to be executed when the **OFFICE** has executed a copy of this Consent Order bearing the signature of **AETNA HEALTH**'s authorized representative under the seal of a notary public, notwithstanding the fact that the copy may have been transmitted to the **OFFICE** electronically.

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

THEREFORE, the agreement between AETNA HEALTH and the OFFICE, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 21ST day of NOVEMBER, 2006.



  
\_\_\_\_\_  
Kevin M. McCarty  
Commissioner  
Office Of Insurance Regulation

By execution hereof, AETNA HEALTH 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 AETNA HEALTH INC. to the terms and conditions of this Consent Order.

**AETNA HEALTH INC.**

By: \_\_\_\_\_

(Corporate Seal)

C. Carleton King  
(Print or Type Name)

Title: Regional President

Date: 11/6/06

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

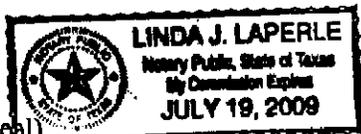
The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of November 2006, by

C. Carleton King as President and Director  
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)

for AETNA Health INC  
(Company name)

Personally Known  or Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_



(Notarial Seal)

\_\_\_\_\_  
(Signature of Notary)

My Commission Expires:

7/19/2009

LINDA J. LAPERLE  
(Type, Print or Stamp Name of Notary)

**COPIES FURNISHED TO:**

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