



THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

TOM GALLAGHER

**FILED**

MAR 16 2001

Treasurer and  
Insurance Commissioner  
Docketed by: CPB

IN THE MATTER OF:

**CONSECO SENIOR HEALTH INSURANCE COMPANY**  
(formerly known as American Travellers Life Insurance Company)  
Life and Health Market Conduct Investigation

CASE NO.: 39711-00-CO

CONSENT ORDER

THIS CAUSE came on for consideration as a result of an agreement between CONSECO SENIOR HEALTH INSURANCE COMPANY, hereafter referred to as "CSHIC" and the FLORIDA DEPARTMENT OF INSURANCE, hereafter referred to as the "DEPARTMENT" as a result of a Market Conduct investigation. Following a complete review of the record, and upon consideration thereof, and being otherwise fully advised in the premises, the Treasurer and Insurance Commissioner, as head of the DEPARTMENT, hereby finds as follows:

1. The Treasurer and Insurance Commissioner, as head of the DEPARTMENT, has jurisdiction over the subject matter of, and the parties to, this proceeding.
2. CSHIC is a foreign insurer authorized to conduct Life, Group Life and Annuities, and Accident and Health insurance business in Florida, and is subject to the jurisdiction and regulation of the DEPARTMENT pursuant to the Florida Insurance Code.
3. The DEPARTMENT conducted a Market Conduct investigation of CSHIC pursuant to Section 624.318, *Florida Statutes*. As a result of that investigation, the DEPARTMENT determined that CSHIC committed the following violations of the Florida Insurance Code:

a. CSHIC failed to file an annual rate certification for Medicare Supplement Policy Form ATL-Medsup-2 for 1997, in violation of Section 627.6745(2), *Florida Statutes*, and Rule 4-142.011(8)(r), *Fla. Admin. Code*.

b. CSHIC failed to file an annual rate certification for Medicare Supplement Policy Form ATL-CAT-89 for 1997, in violation of Section 627.6745(2), *Florida Statutes*, and Rule 4-142.011(8)(r), *Fla. Admin. Code*.

c. CSHIC failed to file an annual rate certification for Medicare Supplement Policy Form ATL-MS-92(FL) for 1993, 1994, 1995, 1996, and 1997 in violation of Section 627.6745(2), *Florida Statutes*, and Rule 4-142.011(8)(r), *Fla. Admin. Code*.

d. CSHIC, while known as American Travellers Life Insurance Company issued approximately 329 pre-standardized Medicare Supplement policies in Florida subsequent to the standardization of such policies, in violation of Rules 4-156.007 and 4-142.011(8)(k), *Fla. Admin. Code*.

e. CSHIC failed to file annual rate certifications for Long Term Care Policy Form ATL-LTC-89(FL) for 1994, 1995, 1996, 1997, and 1999 in violation of Section 627.410(7), *Florida Statutes*, and Rule 4-142.011(8)(q), *Fla. Admin. Code*.

f. CSHIC failed to file annual rate certifications for Long Term Care Policy Form ATL-LTC-3(FL) for 1994, 1995, 1996, 1997, and 1999 in violation of Section 627.410(7), *Florida Statutes*, and Rule 4-142.011(8)(q), *Fla. Admin. Code*.

g. CSHIC failed to file annual rate certifications for Long Term Care Policy Form ATL-LTC-6(FL) for 1997 and 1999 in violation of Section 627.410(7), *Florida Statutes*, and Rule 4-142.011(8)(q), *Fla. Admin. Code*.

h. CSHIC failed to file annual rate certifications for Long Term Care Policy Form ATL-LTC-1(FL) for 1994, 1995, 1997, and 1999 in violation of Section 627.410(7), *Florida Statutes*, and Rule 4-142.011(8)(q), *Fla. Admin. Code*.

E. CSHIC shall pay an administrative penalty of \$2,500 for the violation set forth in Paragraph 4e;

F. CSHIC shall pay an administrative penalty of \$2,500 for the violation set forth in Paragraph 4f;

G. CSHIC shall pay an administrative penalty of \$1,500 for the violation set forth in Paragraph 4g;

H. CSHIC shall pay an administrative penalty of \$2,500 for the violation set forth in Paragraph 4h;

I. CSHIC shall pay an administrative penalty of \$1,500 for the violation set forth in Paragraph 4i;

J. CSHIC shall pay an administrative penalty of \$1,500 for the violation set forth in Paragraph 4j,

for a total administrative penalty of \$19,000, which shall be paid within thirty (30) days of the entry of this Consent Order by the Treasurer and Insurance Commissioner.

K. In addition, CSHIC shall pay to the DEPARTMENT costs of \$1,000 and attorney's fees of \$2,500, which shall be paid within thirty (30) days of the entry of this Consent Order by the Treasurer and Insurance Commissioner.

L. CSHIC shall bring all of its required rate filings and/or rate certification filings into compliance with Florida law within sixty (60) days of the entry of this Consent Order by the Treasurer and Insurance Commissioner, and shall thereafter timely comply with all applicable provisions of the Florida Insurance Code.

M. CSHIC shall not issue, under any circumstances, Medicare Supplement policies on non-standardized forms in the State of Florida.

i. CSHIC failed to file annual rate certifications for Medicare Supplement Policy Form 10567(30) for 1998 and 1999 in violation of Section 627.6745(2), *Florida Statutes*, and Rule 4-142.011(8)(r), *Fla. Admin. Code*.

j. CSHIC failed to file annual rate certifications for Medicare Supplement Policy Form 10636-FL for 1998 and 1999 in violation of Section 627.6745(2), *Florida Statutes*, and Rule 4-142.011(8)(r), *Fla. Admin. Code*.

4. The DEPARTMENT and CSHIC expressly waive a hearing in this matter, the rendition of Findings of Fact and Conclusions of Law by the DEPARTMENT, and all further and other proceedings herein to which the parties may be entitled by law or by rules of the DEPARTMENT. CSHIC hereby knowingly and voluntarily waives 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.

5. CSHIC agrees that the failure to adhere to the terms and conditions of this Order shall constitute a violation of a lawful order of the DEPARTMENT, and shall subject CSHIC to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

6. CSHIC agrees that upon the execution of this Consent Order by the Treasurer and Insurance Commissioner, it shall be subject to the following terms and conditions:

A. CSHIC shall pay an administrative penalty of \$1,000 for the violation set forth in Paragraph 4a;

B. CSHIC shall pay an administrative penalty of \$1,000 for the violation set forth in Paragraph 4b;

C. CSHIC shall pay an administrative penalty of \$2,500 for the violation set forth in Paragraph 4c;

D. CSHIC shall pay an administrative penalty of \$2,500 for the violation set forth in Paragraph 4d;

N. CSHIC is hereby placed on notice of the requirements of the above-referenced provisions of law and agrees that any future violation of these provisions by it may be deemed to be willful, subjecting CSHIC to appropriate penalties.

7. Except as otherwise provided herein, each party shall bear its own costs and attorney's fees.

THEREFORE, the agreement between Conseco Senior Health Insurance Company, 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 16<sup>TH</sup> day of MARCH, 2001.

Tom Gallagher  
Treasurer and  
Insurance Commissioner

BY:

Kevin McCarty, Deputy Insurance  
Commissioner

By the execution hereof, CONSECO SENIOR HEALTH INSURANCE COMPANY agrees without reservation to all of the foregoing terms and conditions, and shall be bound by all provisions hereof. The individual signing below for the Company, Michael Colliflower (printed name) is authorized to bind the Company to all of the terms and conditions hereof.

By: Michael A. Colliflower

Title: Senior Vice President

Date: February 14, 2001

Copies Furnished:

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