



FILED

OFFICE OF INSURANCE REGULATION

DEC 23 2005

KEVIN M. McCARTY
COMMISSIONER

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IN THE MATTER OF:

CASE NO.: 83067-05-CO

HUMANA HEALTH INSURANCE COMPANY
OF FLORIDA, INC.

Received by Office of
Insurance Regulation

Life and Health Market Conduct Investigation

DEC 28 2005

Bureau of
Market Investigations

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC. (hereinafter referred to as "HUMANA") 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. HUMANA is a domestic insurer authorized to transact insurance 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 HUMANA pursuant to Section 624.318, Florida Statutes. As a result of such investigation, the OFFICE has determined that HUMANA committed the following violations of the Florida Statutes:
 - a. Section 626.9541(1)(i)3.a., Florida Statutes – Failing to adopt and implement standards for the proper investigation of claims.

b. Section 626.9541(1)(i)3.d., Florida Statutes – Denying claims without conducting reasonable investigations based upon available information.

4. The OFFICE and HUMANA expressly waive a hearing in this matter and 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. HUMANA 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. HUMANA agrees that the 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 HUMANA to such administrative action as the OFFICE may deem appropriate.

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

a. HUMANA shall pay a penalty of \$25,000 and administrative costs of \$2,500 on or before the 30th day after this Consent Order is executed.

b. HUMANA shall implement a system to assure that claims for Child Health Supervision Services (office visits, immunizations and laboratory tests on children under the age of 17) which are not subject to the waiting period per policy language, are paid upon submission.

c. HUMANA shall conduct a review of all claims for children under the age of 17 which were denied using a waiting period during the period beginning January 1, 2003 and ending on the date the system required in subparagraph 6.b. is implemented, to identify those that were incorrectly denied, reprocess those denied claims, and pay any additional amounts due

according to the policy language, including interest due for late payment, per Section 627.613, Florida Statutes.

a. HUMANA shall, within 30 days of execution of this Consent Order, provide a report to the OFFICE documenting completion of the corrective actions, including the date of implementation of the system for properly paying child health supervision claims, the total number of claims reviewed, number of claims in which additional payments are due, the date(s) additional payments are made, and the total dollar amount of additional payments made as a result of the review, along with the total dollar amount of interest paid on those claims. This report shall be certified by an officer of the Company to be true and correct.

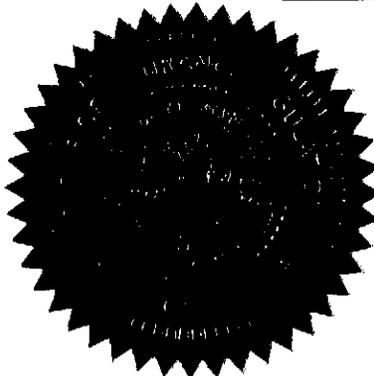
b. HUMANA is hereby placed on notice of the requirements of the above-referenced sections of law and agrees that any future violations of these sections by HUMANA may be deemed willful, subjecting HUMANA to appropriate penalties.

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

9. THEREFORE, the agreement between HUMANA 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 23RD day of DECEMBER, 2005.



Kevin M. McCarty
Commissioner
Office of Insurance Regulation

By execution hereof HUMANA HEALTH INSURANCE COMPANY 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 HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC. to the terms and conditions of this Consent Order.

HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC.

By [Signature]

Kathleen Pellegrino
Print or Type Name

Corporate Seal

Title: Vice President

Date: October 18, 2005

STATE OF KENTUCKY

COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this 18th day of Oct. 2005,
by KATHLEEN PELLEGRINO as VICE PRESIDENT
(Name of person) (type of authority.... e.g. officer, trustee attorney in fact)

for Humana Health Insurance Company of Florida, Inc.
(company name)

[Signature]
(Signature of the Notary)

JANET T. HARPER
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X or Produced Identification _____
Type of Identification Produced _____

[NOTARIAL SEAL]

My Commission Expires



Janet T. Harper, Notary Public
State at Large
Kentucky

My Commission Expires Sept. 28, 2009

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