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SP.

OFFICE OF INSURANCE REGULATION

**KEVIN M. McCARTY
COMMISSIONER**

IN THE MATTER OF:

CASE NO.: 77049-04-CO

HUMANA INSURANCE COMPANY
_____ /

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between HUMANA INSURANCE COMPANY (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 foreign 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 627.6675(10), Florida Statutes – Failure to offer a Converted Policy providing major medical coverage.

b. Section 627.6675(11), Florida Statutes - Failure to offer the Standard Health Benefit Plan as established pursuant to Section 627.6699(12), Florida Statutes.

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 an administrative penalty of \$16,500 and administrative costs of \$2,500 on or before the 30th day after this Consent Order is executed.

b. Pursuant to Section 627.6675(10), Florida Statutes, HUMANA agrees to provide a Converted Policy, upon the insured's termination, providing major medical coverage under a plan meeting the requirements of Florida Statutes 627.6675(10)(a), (b), and (c). A copy of the Major Medical Conversion Policy shall be submitted to the OFFICE, for approval, no later than thirty (30) days after the execution of this Order.

c. Pursuant to Section 627.6675(11), Florida Statutes, HUMANA agrees to provide the Standard Health Benefit Plan, as established pursuant to Section 627.6699(12), Florida Statutes, upon the insured's termination. A copy of the Standard Health Benefit Plan shall

be submitted to the OFFICE, for approval, no later than thirty (30) days after the execution of this Order.

d. 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.

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

8. 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 17TH day of FEBRUARY, 2006.



Kevin M. McCarty
Commissioner
Office of Insurance Regulation

By execution hereof HUMANA 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 HUMANA INSURANCE COMPANY to the terms and conditions of this Consent Order.

HUMANA INSURANCE COMPANY

By _____

Corporate Seal

Kathleen Pellegrino
Print or Type Name

Title: Vice President

Date: Feb. 7, 2006

STATE OF KENTUCKY
COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this 7th day of Feb. 2006,
by Kathleen Pellegrino as Vice President
(name of person) (type of authority ...e.g. officer, trustee, attorney in fact)

for Humana Insurance Company
(company name)

(Signature of the Notary)



Catherine Mathes, Notary Public
State of Large
Kentucky

(Print, Type, or Stamp) My Commission Expires Sept. 11, 2009
(Commissioned Name of Notary)

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

[NOTARIAL SEAL]

My Commission Expires:

COPIES FURNISHED TO:

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