

RE :

AETNA U.S. HEALTHCARE,
INC.

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CONSENT AGREEMENT
Docket No. INS 00-3037

This document is a Consent Agreement is authorized by 5 M.R.S.A. § 12-A(1) and 24-A M.R.S.A. § 9053(2), and is entered into by Aetna U.S. Healthcare, Inc. (hereafter also *Aetna*) and the Superintendent of the Maine Bureau of Insurance (hereafter also the *Superintendent*). Its purpose is to resolve, without resort to an adjudicatory proceeding, violations of Maine Bureau of Insurance Rule Chapter 750(9) and (10) [hereafter *Rule 750(9) and (10)*], as set forth below.

FACTS

1. The Superintendent is the official charged with administering and enforcing Maine's insurance laws and regulations.
2. Aetna has been a Maine licensed health maintenance organization (HMO), License No. HMD45749, since April 10, 1996.
3. Aetna is a participant in the individual and group HMO markets. Aetna filed its community premium rates for 1998, 1999 and the first quarter of 2000.
4. As of the October 26, 1998 amendments to Bureau Rule 750(10) require an HMO selling both individual and group plans to pay producers commissions for individual plans they sell, calculated at a percentage rate at least the equivalent of the commissions paid for sale of the HMO's small group plans.
5. In a letter dated June 30, 2000, responding to a request from the Bureau for disclosure of commissions Aetna paid to producers for individual plans, Aetna informed the Bureau its policy in effect from at least October 26, 1998 has been to pay no commissions for individual plans sold by producers.
6. Aetna stated in its September 14, 2000 letter to the Bureau that, as of March 31, 2000, there were 65 of its individual plans in effect. The letter also acknowledged that of these plans, 10 had been sold through producers entitled to a commission under Rule 750(10). Aetna to date has not agreed to pay a commission to any producer for selling an Aetna individual plan after October 26, 1998.

CONCLUSION OF LAW

7. As described in paragraphs 3, 4, 5 and 6, Aetna violated Bureau Rule 750 (9) and (10) from October 26, 1998 through at least March 31, 2000 by failing to pay commissions to producers for their sales of Aetna individual HMO plans.

COVENANTS

8. A formal hearing in this complaint proceeding is waived and no appeal will be taken.
9. At the time of executing this Agreement, which is an enforceable agency action under the Maine Administrative Procedure Act, Aetna shall pay to the Maine Bureau of Insurance a penalty in the amount of \$10,000 drawn to the Treasurer of the State of Maine.
10. Aetna shall comply with Rule 750 (9) and (10) and with 24-A M.R.S.A. § 2736-C(6)(A), the latter requiring carriers in the individual HMO market to actively market individual plans, as follows. On or before the date of signing this Agreement, Aetna shall submit to the Bureau a copy of a letter to all Maine health insurance producers, together with a certificate evidencing its mailing. The letter shall inform the addressees they may seek payment of commissions for sale of individual plans from and after October 26, 1998, if they can document that during such period they submitted consumer applications or referred consumers to Aetna for individual plans Aetna issued. Aetna retroactively shall pay a commission for each documented sale, per Rule 750(10)'s rate requirements.
11. On or before the date of signing this agreement, Aetna additionally shall document to the Bureau that (a) all its current contracts with Maine health insurance producers provide for payment of commissions for sale of individual plans; and (b) the contracts contain a commission schedule in accordance with Rule 750(10).
12. In consideration of Aetna's execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measure or other civil sanction for the violation described above, other than those agreed to herein.

MISCELLANEOUS

13. Aetna understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, will be available for public inspection and copying as provided by 1 M.R.S.A. § 408, and will be reported to the NAIC "RIRS" database.
14. The parties understand that nothing herein shall affect any right or interest of any person who is not a party to this Agreement.
15. This Agreement may be modified only by the written consent of the parties.
16. Before executing this Agreement, Aetna was informed of its right to consult with counsel.
17. Nothing herein shall prohibit the Superintendent from seeking an order to enforce this Consent Agreement, or from seeking additional sanctions in the event Aetna does not comply with the above terms, or in the event the Superintendent receives evidence that further legal action is necessary for the protection of Maine consumers.

**FOR AETNA U.S.
HEALTHCARE, INC.**

Dated: _____, 2001

By: _____
Signature

Typed Name and Title

Subscribed and sworn to before me
this _____ day of _____, 2001.

Notary Public

**FOR THE BUREAU OF
INSURANCE**

Dated: _____, 2001

**Alessandro A. Iuppa
Superintendent of Insurance**

STATE OF MAINE, KENNEBEC ss
Subscribed and sworn to before me
this _____ day of _____, 2001

Notary Public/Attorney at Law

**FOR THE MAINE
ATTORNEY GENERAL**

Dated: _____, 2001

**Carolyn Silsby
Assistant Attorney General**

STATE OF MAINE, KENNEBEC ss
Subscribed and sworn to before me
this _____ day of _____, 2001

Notary Public/Attorney at Law