

8. Community Health Plan plan descriptions and producer manuals distributed at the November 3, 1997 presentation identified the administrator of the Plan as HCH. As of November 3, 1997, HCH had had not filed a name change from Kepple & Company, Inc., the entity licensed by the Bureau as an insurance administrator.

9. The Community Health Plan plan descriptions and producer manuals distributed at the November 3, 1997 presentation included many provisions at odds with the requirements of Maine law. Provisions in the distributed producer manuals which violate the requirements of Maine's Community Rating Law, 24-A M.R.S.A. § 2808-B included: a) inappropriate participation requirements; b) an "actively at work" requirement for coverage eligibility; c) the requirement that participants in the health plan also participate in the life insurance program; d) failing to properly define an eligible small group as one comprised of 50 or less eligible employees; e) impermissibly denying small group coverage for classes of employers; and, f) requiring employers to contribute 25% of total premiums. The Producer Manual described benefits for mental health inpatient services which do not comply with Maine's mental health mandate at 24-A M.R.S.A. § 2843. The Producer Manual also indicated an 18 month preexisting condition exclusion for late enrollees inconsistent with the requirements of Maine's Continuity Law at 24-A M.R.S.A. § 2850.

CONCLUSIONS OF LAW

10. HCH violated Title 24-A M.R.S.A. § 1902 by doing business under an unlicensed name and holding itself out as a properly licensed administrator.

11. HCH violated Title 24-A M.R.S.A. § 2153, which prohibits the circulation of any statement misrepresenting the terms of any policy to be issued or the benefits or advantages promised thereby. As described in paragraph 9 above, several elements of the coverage descriptions distributed by HCH violated the requirements of Maine law. Because statutory requirements supersede coverage provisions inconsistent with the law, the improper descriptions did not accurately reflect the coverage being marketed.

12. As described in paragraph 9(a)-(f) above, HCH violated 24-A M.R.S.A. § 2808-B by imposing improper eligibility criteria on small group applicants for coverage.

13. HCH violated 24-A M.R.S.A. § 2843 by marketing coverage with improper benefits for mental health inpatient services.

14. HCH violated 24-A M.R.S.A. § 2850 by marketing coverage with a preexisting condition exclusion of improper duration.

COVENANTS

15. A formal hearing in this matter is waived and no appeal will be taken. This Consent Agreement is an enforceable final agency action of the Superintendent of Insurance within the meaning of the Maine Administrative Procedure Act.

16. At the time of executing this Agreement, HCH shall pay to the Maine Bureau of Insurance a penalty in the amount of six thousand dollars (\$6,000.00) payable to the Treasurer of the State of Maine.

MISCELLANEOUS

17. HCH understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402 and will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408.

18. It is understood by the parties to this Agreement that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.

19. This Consent Agreement may only be modified by the written consent of the parties.

20. HCH has been advised of its right to consult with counsel and has, in fact, consulted with counsel before executing this Agreement.

Dated: _____, 1998

FOR HEALTH CARE HORIZONS, INC.

By: _____
Signature

For: _____
Typed Name

Typed Title

Subscribed and Sworn to before me
this _____ day of _____, 1998.

Notary Public

**FOR THE MAINE
BUREAU OF INSURANCE**

Dated: _____, 1998

Alessandro A. Iuppa
Superintendent of Insurance

STATE OF MAINE
KENNEBEC, SS.

Subscribed and sworn to before me
this _____ day of _____, 1998.

Notary Public/Attorney-at-Law

Dated: _____, 1998

**FOR THE MAINE
ATTORNEY GENERAL**

**Judith Shaw Chamberlain
Assistant Attorney General**