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) **CONSENT AGREEMENT**
IN RE: OXFORD LIFE INSURANCE COMPANY)
) **Docket No. INS 02-767**
)

This document is a Consent Agreement, authorized by 10 M.R.S.A. § 8003(5)(B), entered into by and among Oxford Life Insurance Company (hereafter "Oxford"), the Superintendent of the Maine Bureau of Insurance (hereafter "the Superintendent"), and the Department of the Attorney General. Its purpose is to resolve, without resort to an adjudicatory proceeding, violations of the Maine Insurance Code as set forth below.

FACTS

1. The Superintendent is the official charged with administering and enforcing Maine's insurance laws and regulations.
2. Oxford Life Insurance Company is a Maine licensed life and health foreign company, Maine license number 53253, NAIC number 76112.
3. On March 16, 2002, a licensed producer filed a complaint on behalf of Consumer, complaint # 2002518272. The complaint stated that that Consumer had a Medicare Supplement plan J from another Medicare Supplement carrier and Oxford refused to issue Consumer a Medicare Supplement plan I.
4. Oxford's April 11, 2002 letter to Consumer stated, in part:

"We have received your recent application for Medicare Supplement coverage through Oxford Life Insurance Company. Unfortunately, we are unable to extend an offer of coverage at this time. This decision is based on abdominal aneurysm surgery from December 2001, as disclosed on your application. This medical history falls outside of our acceptable underwriting guidelines. Providing there is no change in your health, we can reconsider you for coverage in one (1) year. We are returning your check...in the amount of \$184.01."

5. Title 24-A M.R.S.A. Section 5002-B(1 & 2) provides, in part:
 1. Persons provided continuity of coverage. This section provides continuity of coverage for a person who seeks coverage under a Medicare Supplement policy if:
 - A. That person was previously covered under a Medicare Supplement policy issued by the same or a different carrier ...
 2. Prohibition against discontinuity. The insurer shall, for any person described in subsection 1, waive any medical underwriting or preexisting conditions exclusion to the extent that benefits would have been payable under the prior policy ...
6. In response to Consumer's complaint, Oxford acknowledged that its underwriting staff erred in rejecting the application and stated that the rejection did not reflect company policy. Oxford also advised the Bureau that this was the only Maine Medicare Supplement application received during the past year that was denied for failure to meet underwriting guidelines.

CONCLUSIONS OF LAW

- 7. As described in paragraphs 1- 6 above, Oxford violated 24-A M.R.S.A. Section 5002-B by underwriting and rejecting the Medicare Supplement application of a consumer entitled to "guaranteed issue."

COVENANTS

- 8. A formal hearing in this matter is waived and no appeal will be made.
- 9. At the time of executing this Agreement, Oxford shall pay to the Bureau of Insurance a penalty in the amount of two hundred dollars (\$200), payable to the Treasurer of the State of Maine.
- 10. In consideration of Oxford's compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil sanction

MISCELLANEOUS

- 11. This Consent Agreement may only be modified by the written consent of the parties.
- 12. It is understood by the parties to this Agreement that nothing herein shall affect any rights or interests of any person not a party to this Agreement.
- 13. Oxford acknowledges that this Consent Agreement is a public record within the meaning of 1 M.R.S.A. § 402, that it will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and that it will be reported to the NAIC and included in the RIRS database.
- 14. Oxford has been advised of its right to consult with counsel and has, in fact, consulted with counsel before executing this Agreement.
- 15. Nothing herein shall prohibit the Superintendent from seeking an order to enforce this Agreement, or from seeking additional sanctions in the event that Oxford does not comply with the above terms.

Dated: _____, 2002

OXFORD LIFE INSURANCE COMPANY

By: _____

Its: _____

Printed Name and Title

Subscribed and sworn to before me
this _____ day of _____, 2002.

Notary Public

Printed name

Date of commission expiration

Dated: _____, 2002

MAINE BUREAU OF INSURANCE

Alessandro A. Iuppa
Superintendent of Insurance

STATE OF MAINE
KENNEBEC, SS.

Subscribed and sworn to before me
this _____ day of _____, 2002

Notary Public/Attorney-at-Law

Dated: _____, 2002

MAINE DEPARTMENT OF THE
ATTORNEY GENERAL

Thomas C. Sturtevant, Jr.
Assistant Attorney General