

IN RE: UNITED HEALTHCARE)
INSURANCE COMPANY,) CONSENT AGREEMENT
DOCKET NO. 03-210)
)

This document is a Consent Agreement, authorized by 10 M.R.S.A. § 8003(5)(B), entered into by and among United Healthcare Insurance Company (hereafter “United Healthcare”), the Superintendent of the Maine Bureau of Insurance (hereafter “the Superintendent”), and the Office 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. United Healthcare Insurance Company licensed in Maine as a foreign life and health insurance company, Maine license number LHF 700, NAIC number 79413.
3. In conformance with the requirements of Rule Chapter 275 Section 8, Consumer’s United Healthcare policy contains the following provision.

Maine Care (Medicaid). The benefits and premiums under your AARP Medicare Supplement Plan will be suspended during your entitlement to benefits under Medicaid for up to 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid.

4. On February 24, 2003, Consumer filed a written complaint with the Bureau, Complaint Number 2003-12549. The complaint stated that a letter signed by Consumer was sent to AARP on August 12, 2002 requesting a two-year suspension while Consumer was eligible for Medicaid. The complaint included a letter signed by a representative of the Southern Maine Area Agency on Aging stating, in part:

“[Consumer] is a 79-year-old woman who is one of the people whom I work with as an Elder Care Advocate. She is low income and was paying too much per month for supplemental insurance through AARP for her budget. I assisted her in applying for Maine Care and she received coverage beginning July 19th 2002. [Consumer] and I wrote a letter to AARP and requested a suspended policy for two years. We did not receive any response to this letter. [Consumer] and I called while I was at her home and spoke with AARP and the person stated that they would suspend the policy as of that day 10-02-02. Around the same time [Consumer’s] daughter also called AARP and they too stated that they would take care of everything. The next month the money was still being withdrawn from [Consumer’s] bank account. [Consumer] and I called again and [Consumer’s daughter] called and we both heard the same thing, that they did not have any other record of contacts from [Consumer or Consumer’s daughter] and myself. We

finally sent a certified letter on 12-21-02 requesting [Consumer's] money be refunded in the amount of \$303.75 as well as her policy be suspended. We were contacted by the Customer Representative, she indicated that they would not refund the premium due to the time it had taken us to notify AARP... We find it hard to believe that they not only had no evidence of our letters and calls from [Consumer] and myself but also [Consumer's daughter]. Something is just not right with this picture. I have enclosed the copies of letter that I have for your review."

5. The Southern Maine Area Agency on Aging provided the Bureau with a copy of a hand-written letter to AARP from Consumer dated August 12, 2002, stating in part:

Please suspend my supplemental insurance policy through AARP, policy #023097954. I can no longer afford the monthly premiums and I have been approved and put on Maine Care, effective 7-19-02. Please call me with any questions or my case worker at the Southern Maine Agency on Aging at [telephone number omitted].

6. AARP wrote to the Southern Maine Area Agency on Aging on January 15, 2003 stating that it had no record of Consumer's August 12, 2002 letter requesting two-year suspension, and advised that, according to their records, AARP was first notified of Consumer's request to suspend her policy on November 7, 2002.

7. United Healthcare's March 7, 2003 letter to the Bureau in response to Consumer's complaint stated in part:

[The Southern Area Agency on Aging] advised our office that on August 12, 2002, she sent a letter requesting a suspension of [Consumer's] coverage. We did not receive notification of [Consumer's] request to suspend coverage prior to the telephone call on November 7, 2002. We were also advised that [Consumer's] daughter contacted our office on October 2, 2002, to stop the premiums from being electronically transferred from [Consumer's] bank account. We also have no record of a telephone call from [Consumer's daughter]. We explained this to [Consumer's elder care advocate] during our telephone conversations and in our letter dated January 15, 2002. Because we were not notified within 90 days of [Consumer's] entitlement, we were unable to honor the request to suspend her coverage and refund premiums.

CONCLUSIONS OF LAW

8. As described in paragraphs 1- 5 above, Consumer provided United Healthcare with substantial and reasonable evidence that she made a timely request for a suspension of her Medicare supplement policy while eligible for Medicaid. United Healthcare violated the requirements of Rule Chapter 275, Section 8 by failing to honor Consumer's request for an extension, and by refusing to refund premiums automatically deducted from her account.

COVENANTS

9. A formal hearing in this matter is waived and no appeal will be made.

10. At the time of executing this Agreement, United Healthcare shall pay to the Bureau of Insurance a penalty in the amount of Two Thousand Dollars and No Cents (\$2,000.00), payable to the Treasurer of the State of Maine.

11. United Healthcare will suspend Consumer's policy and reimburse premiums with interest.

12. In consideration of United Healthcare's compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil sanction for the specific violations described above, other than those agreed to in this Consent Agreement.

MISCELLANEOUS

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

14. 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.

15. United Healthcare 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.

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

17. Nothing herein shall prohibit the Superintendent from seeking an order to enforce this Agreement, or from seeking additional sanctions in the event that United Healthcare does not does not comply with the above terms.

Signature Pages

UNITED HEALTHCARE
INSURANCE COMPANY

Dated: _____, 2003

By: _____

Printed Name and Title

Subscribed and sworn to before me
this _____ day of _____, 2003.

Notary Public

Printed name

Date of commission expiration

MAINE BUREAU OF INSURANCE

Dated: _____, 2003

Alessandro A. Iuppa
Superintendent of Insurance

MAINE OFFICE OF THE
ATTORNEY GENERAL

Dated: _____, 2003

Thomas C. Sturtevant, Jr.
Assistant Attorney General