

**IN RE: THE MEGA LIFE AND HEALTH
INSURANCE COMPANY** **) CONSENT AGREEMENT
) Docket No. INS 04-201**

This document is a Consent Agreement, authorized by 10 M.R.S.A. § 8003(5)(B), entered into by and among The MEGA Life and Health Insurance Company (hereafter “MEGA”), 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. The MEGA Life and Health Insurance Company is a Maine licensed insurance company, license number LHF 993.

3. On September 11, 2003, a MEGA policyholder filed a consumer complaint with the Bureau, complaint # 2003-13633, stating in part: “I...discovered this year that our annual eye exams were not completely covered because our eye doctor was not a member of the “Cole Vision Corporation network...”

4. Title 24-A M.R.S.A. Ch. 32, Preferred Provider Arrangements, § 2674-A (4) provides:

4. Approval required before marketing or making available. A carrier may not issue a health plan incorporating a preferred provider arrangement and an administrator may not market or otherwise make available a preferred provider arrangement until the superintendent pursuant to section 2673-A has approved the arrangement.

5. MEGA’s January 16, 2004 response to Policyholder’s complaint advised:

“Cole Vision has advised The MEGA Life and Health Insurance Company (“MEGA”) that they do not have a current PPA registration in the State of Maine, but they are in the process of preparing the appropriate filing. Cole Vision advised they were registered as required in 2000 and 2001, but did not submit the required annual registration for 2002 or 2003. It appears there was a breakdown in communication between Cole and MEGA regarding the fact that MEGA was offering the vision plan in Maine. In an effort to resolve this complaint, [Policyholder’s] vision claims will be reprocessed as though his provider was a network provider.”

CONCLUSIONS OF LAW

6. As described in paragraphs 1-5 above, MEGA violated Title 24-A M.R.S.A. § 2674-A by marketing an unregistered preferred provider arrangement.

COVENANTS

7. A formal hearing in this matter is waived and no appeal will be made.
8. At the time of executing this Agreement, MEGA shall pay a civil penalty in the amount of Five Hundred Dollars (\$500) payable to the Treasurer of the State of Maine.
9. For all policyholders entitled to benefits through Cole Vision Corporation, MEGA shall provide the Bureau with a summary of claims for services received from non-participating vision providers for services rendered from January 1, 2002 through the date that this Consent Agreement is signed by MEGA. Within sixty (60) days of executing this agreement, MEGA shall document that these policyholders have been reimbursed, with interest, so the cost to the policyholder is not more than the cost would have been if the benefit had been obtained through a participating provider. For services rendered after December 21, 2004, the reimbursement described in this paragraph is not required for policyholders who reside in Androscoggin, Cumberland, Franklin, Kennebec, Penobscot and York Counties, and who reside within sixty (60) minutes travel time of a participating provider.
10. On December 21, 2004, the Bureau approved Cole Vision Corporation's preferred provider network, but only for Androscoggin, Cumberland, Franklin, Kennebec, Penobscot and York Counties. Within sixty (60) days of executing this agreement, MEGA shall notify policyholders entitled to benefits through Cole Vision Corporation, who reside outside of the above referenced counties, that they are entitled to obtain vision benefits from non-participating providers at no greater cost to the policyholder than if the services had been obtained from a participating provider, until such time as an approved PPO network is available in connection with MEGA's vision plan in the county where the policyholder resides.

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. MEGA acknowledges that this Consent Agreement is 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. MEGA also acknowledges that this complaint will be reported to the NAIC for inclusion in the RIRS database.
14. MEGA 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 MEGA does not comply with the above terms.

SIGNATURE PAGE

Dated: _____, 2005

**THE MEGA LIFE AND HEALTH
INSURANCE COMPANY**

By: _____

Printed Name and Title

Subscribed and sworn to before me
this _____ day of _____, 2005.

Notary Public

Printed name

Date of commission expiration

Dated: _____, 2005

MAINE BUREAU OF INSURANCE

Alessandro A. Iuppa
Superintendent of Insurance

STATE OF MAINE
KENNEBEC, SS.

Subscribed and sworn to before me
this _____ day of _____, 2005

Notary Public/Attorney-at-Law

Dated: _____, 2005

**MAINE OFFICE OF THE
ATTORNEY GENERAL**

Thomas C. Sturtevant, Jr.
Assistant Attorney General