

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
NINTH FLOOR STATE OFFICE BUILDING
333 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801
PHONE: (907) 465-2515 • FAX: (907) 465-3422
IF YOU NEED HEARING ASSISTANCE, PLEASE CALL ALASKA RELAY AT 711

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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
HUMANA INSURANCE COMPANY)
NAIC NO. 73288)
)
&)
HUMANADENTAL INSURANCE COMPANY)
NAIC NO. 70580)
)
_____)

Case No. D 15-09

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Humana Insurance Company and HumanaDental Insurance Company (collectively "Humana"), the companies in this case, stipulate and agree to the following:

I. BACKGROUND

A. A dispute has arisen between the division and Humana with regard to whether Humana's decision to issue a group policy of dental and vision insurance to Peoples Benefit Alliance (PBA) and solicit/market memberships and dental and vision insurance coverage for PBA complies with the requirements of AS 21.54.060(2).

B. The division takes the position that PBA does not constitute a valid group for the purpose of issuing a group policy within the meaning of AS 21.54.060(2). The division also takes the position that the manner in which Humana marketed the insurance directly through their website violated AS 21.36.030.

D 15-09
Humana Insurance Company & HumanaDental Insurance Company

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2 C. Humana disagrees, contending that PBA properly meets the qualifications to serve
3 as a valid group under AS 21.54.060(2). Further, Humana disagrees that it violated
4 AS 21.36.030 in the marketing of membership in and insurance coverage for PBA.

5 D. The parties wish to resolve and settle the dispute. In full resolution of this dispute,
6 Humana and the division agree as follows:

7 II. TERMS OF AGREEMENT

8 1. Humana will cease offering coverage to PBA members in Alaska. In light of this
9 dispute, Humana also has discontinued the issuance of new PBA group dental and vision
10 certificates of coverage to Alaska residents who are PBA members and ceased soliciting new
11 PBA memberships in Alaska as of November 14, 2014, and agrees that it will not issue any new
12 certificates of coverage to Alaska residents who are PBA members.

13 2. Effective as of July 1, 2015, Humana agrees to terminate all certificates issued to
14 Alaska residents who are PBA members for dental and/or vision coverage (approved Dental
15 certificate HUMD-ASSOC-CERT.002 6/10 and approved Vision certificate HUMV-ASSOC-
16 CERT.002 2/11) in connection with AS 21.54.060(2). Humana will issue a 45-day notice to
17 each PBA certificate holder advising of the pending termination(s). If any PBA member wishes
18 to terminate dental or vision coverage sooner than July 1, 2015, Humana will honor that request.
19 Humana will prepare a draft discontinuance letter for the division's review prior to
20 implementation. Any unearned premium will be refunded within 30 days of the termination
21 date.
22

23 3. The division agrees that it will take no further action against and will not seek civil
24 fines or civil penalties from Humana related to Humana's prior marketing and issuance of
25 dental and vision coverage to PBA members in Alaska in reliance on AS 21.54.060(2), provided
26

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1 no other violations of Title 21 occur involving the sale and issuance of health insurance
2 coverage in Alaska in the next 5 years.

3
4 4. The division agrees that this settlement agreement and Humana's undertakings do
5 not constitute an admission of liability or any violation by Humana, and is given in full
6 settlement and compromise of disputed claims, solely for the purpose of terminating the
7 controversy. Humana does not admit, and expressly denies any violation of applicable law.

8 5. Humana agrees that this settlement agreement does not constitute division
9 approval of Humana's marketing and issuance of a group policy of dental and vision coverage
10 to Peoples Benefit Alliance (PBA) or PBA members and the solicitation/marketing of
11 memberships and dental and vision insurance coverage for PBA and that the division is entering
12 into this agreement solely for the purpose of settling the disagreement.

13 6. The division and Humana warrant that the terms of the settlement agreement have
14 been completely read and voluntarily accepted; they are not executing this agreement as a result
15 of financial disadvantage; that no promise or inducement has been made except as herein set
16 forth; and that this agreement is executed without reliance upon any statement or representation
17 by either party, or their agents, concerning any matter, except as contained herein.

18 DATED: 5-20-15

DIVISION OF INSURANCE

19
20 By: Katie Campbell
Katie Campbell
Life/Health Actuary

21
22
23 DATED: April 28, 2015

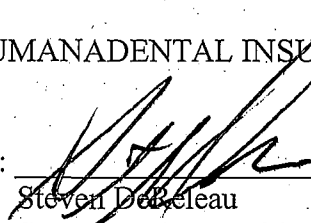
HUMANA INSURANCE COMPANY

24
25 By: Steven DeKleau
Steven DeKleau
Segment Vice President

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DATED: April 28, 2015

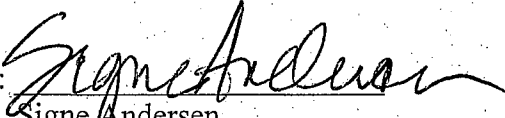
HUMANADENTAL INSURANCE COMPANY

By: 
Steven DeBeleau
Segment Vice President

Approved as to form and content:

DATED: 6/1/15

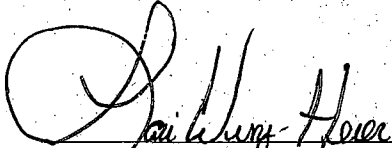
CRAIG W. RICHARDS
ATTORNEY GENERAL

By: 
Signe Andersen
Chief Assistant Attorney General

ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the issues in this case, and shall constitute the final order in this matter.

DATED this 1st day of May, 2015.


Lori Wing-Heier
Director