

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS

In the Matter of
AETNA LIFE INSURANCE)
COMPANY, NAIC # 60054)
And)
AETNA HEALTH, INC.,)
NAIC # 95109)

Docket No.: 5046-CO

CONSENT AGREEMENT AND FINAL ORDER
(Pursuant to K.S.A. 40-222, K.S.A. 77-537)

The Kansas Insurance Department (“KID”), along with Aetna Life Insurance Company, and Aetna Health, Inc. (“Aetna”) submit this Consent Agreement and Final Order. Aetna hereby waives any and all rights to further administrative adjudication or review of this matter, including any and all rights conferred upon it under K.S.A. 77-501 *et seq.* Pursuant to the authority conferred upon the Commissioner of Insurance in K.S.A. 40-216, Ken Selzer, CPA, the duly elected, qualified and serving Commissioner of Insurance, hereby adopts the KID’s agreement made with Aetna and finds and Orders as follows:

Stipulated Findings of Fact

The parties stipulate that if a hearing were conducted in this matter, the following evidence could be offered by the Commissioner, and although neither admitted nor denied by Respondent, would be recognized as admissible to show the following:

1. Aetna Life Insurance Company, a Connecticut domiciled company, has been authorized to do business in Kansas since 1887. Aetna Health, Inc., a Pennsylvania domiciled company, has been authorized to do business in Kansas since 2009.

2. In December 2016, KID Market Conduct Division contacted Aetna to determine compliance with restrictions on abortion coverage as required by Kansas Law for policies issued or renewed on or after July 1, 2011.
3. Aetna did not have procedures in place to ensure compliance with this mandate until October, 2014, despite being made aware of the deficiency in similar investigations in Missouri in 2012.
4. KID found 35 instances of claims that were paid without evidence of proper investigation.

Applicable Law

1. K.S.A. 40-2,190 provides:
 - (a) Any individual or group health insurance policy, medical service plan, contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society or health maintenance organization, municipal group-funded pool and the state employee health care benefits plan which is delivered, issued for delivery, amended or renewed on or after July 1, 2011, shall exclude coverage for elective abortions, unless the procedure is necessary to preserve the life of the mother. Coverage for abortions may be obtained through an optional rider for which an additional premium is paid. The premium for the optional rider shall be calculated so that it fully covers the estimated cost of covering elective abortions per enrollee as determined on an average actuarial basis.
 2. K.S.A. 40-2,125 provides:
 - (a) If the commissioner determines after notice and opportunity for a hearing that any person has engaged or is engaging in any act or practice constituting a violation of any
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provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following:

- (1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every act or violation...

Conclusions of Law

Based on the Findings of Fact enumerated in Paragraphs #1 through #4 and the applicable law cited above, **THE COMMISSIONER OF INSURANCE MAKES THE FOLLOWING ORDERS:**

1. The Commissioner has jurisdiction over this matter pursuant to K.S.A. 40-222.
 2. Aetna violated K.S.A. 40-2,190 excluding coverage for elective abortions.
 3. Aetna neither admits nor denies the violations noted above.
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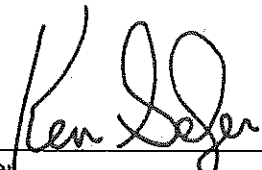
Orders

Based on the Findings of Fact, Applicable and conclusions cited above, IT IS ORDERED BY THE COMMISSIONER OF INSURANCE:

1. Aetna shall pay a monetary penalty of \$70,000 as authorized in K.S.A. 40-2,125, for the above stated violation of K.S.A. 40-2,190.
2. The Commissioner shall retain jurisdiction over this matter to issue any orders deemed necessary.

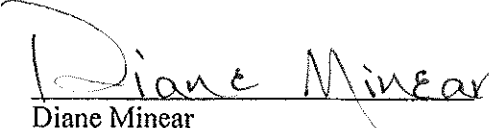
IT IS SO ORDERED THIS 13th DAY OF July, 2017, IN THE CITY OF TOPEKA, STATE OF KANSAS.





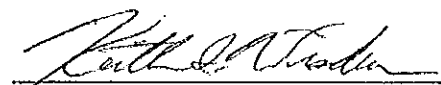
Ken Selzer
Commissioner of Insurance

BY:



Diane Minear
General Counsel

APPROVED BY:



Keith I. Wisdom
President, Kansas Market
Aetna Companies

Certificate of Service

The undersigned hereby certifies that he served a true and correct copy of the above and foregoing Consent Order on this 13th day of July, 2017, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

AETNA LIFE INSURANCE COMPANY
151 FARMINGTON AVE
HARTFORD, CT 06156



Elizabeth J. Hickert Fike
Staff Attorney