

FEB 3 1997

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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BY CWB

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In the Matter of:) Docket No. 97A-015
)
HUMANA INSURANCE COMPANY) CONSENT ORDER
NAIC #62189)
Respondent.)

Examiners for the Arizona Department of Insurance ("the Department") have conducted a market conduct examination of Humana Insurance Company ("HIC"), also referred to as "Respondent", covering the time period from November 1, 1991 to October 31, 1994. Based upon the examination results, it is alleged that HIC has violated the provisions of A.R.S. §§ 20-297, 20-461 and 20-462, and A.A.C. 20-6-801. HIC wishes to resolve this matter without formal adjudicative proceedings and hereby agrees to a Consent Order.

The Director of Insurance of the State of Arizona ("the Director") enters the following Findings of Fact, and Conclusions of Law and the following Order.

FINDINGS OF FACT

1. HIC is authorized to transact disability insurance as an insurer pursuant to a Certificate of Authority issued by the Director.

2. The Examiners were authorized by the Director to conduct a market conduct examination of HIC. The on-site examination was completed on April 7, 1995 with the full cooperation of HIC.

3. HIC inadvertently failed to timely file its lists of agents for the years 1992, 1993 and 1994.

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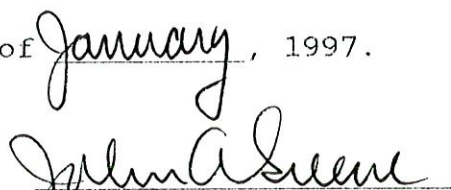
payment, shall be furnished to the Market Conduct Examination Division of the Department within 90 days of the filed date of this Order.

4. The Department shall be permitted, through an authorized representative, to verify that HIC has complied with all provisions of this Order. The Director may separately order HIC to comply with this Order.

5. HIC shall pay a Civil Penalty of FOUR THOUSAND THREE HUNDRED DOLLARS (\$4,300.00) to the Director for remission to the State Treasurer for deposit in the State General Fund in accordance with A.R.S. § 20-220(B). Said amount shall be provided to the Market Conduct Examinations Division of the Department on or before the entry of this Order.

6. The Report of Market Conduct Examination as of October 31, 1994, and any objections to the Report submitted by HIC, shall be filed with the Department upon acceptance by the Director of this Consent Order.

DATED at Phoenix, Arizona this 31 day of January, 1997.



John A. Greene
Director of Insurance

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1 COPY of the foregoing mailed/delivered
2 this 3rd day of February , 1997, to:

- 3 Charles R. Cohen
4 Deputy Director
5 Gregory Y. Harris
6 Executive Assistant Director
7 Erin H. Klug
8 Chief Market Conduct Examiner
9 Market Conduct Examinations Division
10 Mary Butterfield
11 Assistant Director
12 Life & Health Division
13 Deloris E. Williamson
14 Assistant Director
15 Rates & Regulations Division
16 Gary Torticill
17 Assistant Director and Chief Financial Examiner
18 Corporate & Financial Affairs Division
19 Cathy O'Neil
20 Assistant Director
21 Consumer Services Division
22 John Gagne
23 Assistant Director
24 Investigations Division
25 Terry Cooper
26 Fraud Unit Chief

27 DEPARTMENT OF INSURANCE
28 2910 North 44th Street, Suite 210
Phoenix, AZ 85018

Craig H. Reynolds
Director, Product Compliance
Humana, Inc.
P.O. Box 1438
Louisville, Kentucky
40201-1438

29 *Covey W. Burton*

HUMANA INSURANCE COMPANY

PPO - PAID CLAIMS

Claim Number	Date Rec'd	Date Paid	Number of Days Work Calen.	Violations of			Interest Due \$
				A.A.C. R4-14-801 (G)(1)(a)	A.R.S. 20-462(A)		
323210901	08/20/93	09/14/93	17	yes			
301303284	01/13/93	02/13/93	23	yes	yes		.45
309625891	04/06/93	05/06/93	22	yes			
416500529	06/14/94	07/14/94	21	yes			
324500809	09/02/93	09/29/93	18	yes			
405204582	02/21/94	03/22/94	22	yes			
324212301	08/30/93	09/17/93	19	yes			
417806617	06/27/94	08/02/94	25	yes	yes		1.28
32406384	09/01/93	09/29/93	19	yes			
316602260	06/15/93	07/30/93	32	yes	yes		1.43
418100278	06/30/94	08/04/94	24	yes			
326404475	09/21/93	10/16/94	19	yes			
325604399	09/13/93	11/11/93	43	yes	yes		.63
324309377	08/30/93	11/09/93	49	yes			
415808002	06/07/93	07/13/94	25	yes	yes		2.08
323703401	08/25/93	09/21/93	18	yes			
313707299	06/24/93	09/20/93	60	yes	yes		4.53
316507656	06/14/93	07/08/93	17	yes			
417205352	06/21/93	07/18/94	18	yes			
410100610	04/04/94	05/02/94	20	yes			
328503003	10/12/93	01/06/94	58	yes	yes		2.00
402702729	01/27/94	02/22/94	18	yes			