

# STATE OF ILLINOIS



## **Department of Financial and Professional Regulation Division of Insurance**

IN THE MATTER OF

HUMANA INSURANCE COMPANY  
1100 EMPLOYERS BOULEVARD  
DE PERE, WISCONSIN 54115

### STIPULATION AND CONSENT ORDER

WHEREAS, the Director of the Division of Insurance of the State of Illinois is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Humana Insurance Company, (Humana) is authorized under the insurance laws of this State and by the Director as a foreign stock company, to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of Humana was conducted by duly qualified examiners of the Illinois Division of Insurance pursuant to Sections 131.21, 132, 401, 402 and 425 of the Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425); and

WHEREAS, the Division of Insurance filed an examination report as an official document of the Division of Insurance as a result of the Market Conduct Examination; and

WHEREAS, said report cited various areas in which Humana was not in compliance with the Illinois Insurance Code; and

WHEREAS, this Stipulation and Consent Order includes the compromise and settlement of disputed claims. Nothing herein contained, nor any action taken by any of the parties hereto in connection herewith, shall constitute, or be construed as, or be deemed to be, an admission of fault, liability or wrongdoing of any kind whatsoever on the part of any party hereto; and

**WHEREAS, Humana is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407 and 407.2 (2000) of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and**

**WHEREAS, Humana understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and**

**WHEREAS, Humana and the Director of the Division of Insurance, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into the Stipulation and Consent Order.**

**NOW, THEREFORE, IT IS agreed by and between Humana and the Director of the Division of Insurance as follows:**

- 1. Institute and maintain procedures whereby the Company refrains from paying commission to producers/entities not duly licensed as required by Section 500-80 of the Illinois Insurance Code (See 215 ILCS 5/500-80).**
- 2. Institute and maintain procedures whereby the Company refrains from allowing agents/entities to sell, solicit, or negotiate insurance while not duly licensed as required by Section 500-15 of the Illinois Insurance Code (See 215 ILCS 5/500-15).**
- 3. Institute and maintain procedures whereby the Company notifies the Director of Insurance of Producers/Agents terminated for cause as required by Section 500-85 of the Illinois Insurance Code (See 215 ILCS 5/500-85).**
- 4. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above three (3) orders within 30 days of the execution of these Orders.**
- 5. Pay to the Director of Insurance, State of Illinois, civil forfeiture in the amount of \$500,000 to be paid within 30 days of the execution of these orders.**

**NOW, THEREFORE, IT IS HEREBY ORDERED by Michael T. McRaith, Director of the Division of Insurance that Humana shall:**

- 1. Institute and maintain procedures whereby the Company refrains from paying commission to producers/entities not duly licensed as required by Section 500-80 of the Illinois Insurance Code (See 215 ILCS 5/500-80).**
- 2. Institute and maintain procedures whereby the Company refrains from allowing agents/entities to sell, solicit, or negotiate insurance while not duly licensed as required by Section 500-15 of the Illinois Insurance Code (See 215 ILCS 5/500-15).**
- 3. Institute and maintain procedures whereby whereby the Company notifies the Director of Insurance of Producers/Agents terminated for cause as required by Section 500-85 of the Illinois Insurance Code (See 215 ILCS 5/500-85).**

4. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above three (3) orders within 30 days of the execution of these Orders.
5. Pay to the Director of Insurance, State of Illinois, civil forfeiture in the amount of \$500,000 to be paid within 30 days of the execution of these orders.

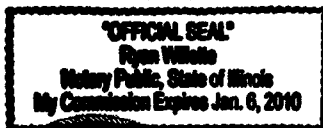
NOTHING herein contained shall prevent the Director of the Division of Insurance from taking any and all appropriate action should Humana violate any provision of the Insurance Code or this Order.

A VIOLATION of the above Order may cause revocation of the licensing authority of Humana pursuant to Section 407.2 of the Illinois Insurance Code. (See 215 ILCS 5/407.2 (2002)).

  
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Humana Insurance Company


Subscribed and sworn to before me this  
2 day of JAN A.D. ~~2007~~ 2008

  
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Notary Public



DEPARTMENT OF FINANCIAL AND  
PROFESSIONAL REGULATION of the  
State of Illinois;

DIVISION OF INSURANCE

  
\_\_\_\_\_  
Michael T. McRaith  
Director

DATE 1-11-8