



# State of Connecticut

## *Insurance Department*

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## **Insurance Department Fines Assurant Subsidiaries \$400,000 for Multiple Violations**

### ***Fines Are Follow-up to \$2.1M in Penalties Levied in 2008***

Acting Insurance Commissioner Barbara C. Spear today announced that state regulators have fined two Wisconsin-based companies nearly \$400,000 for a series of violations uncovered during follow-up examinations of business practices related to certain individual and small group health policies. Commissioner Spear said the \$400,000 will be remitted to the state's General Fund.

Time Insurance Company and John Alden Life Insurance Companies, subsidiaries of Milwaukee-based Assurant Health, have agreed to pay \$318,000 and \$77,000, respectively, under a regulatory consent order finalized in December. Commissioner Spear said the violations stemmed from a nine-month Connecticut Insurance Department (CID) exam of the companies' individual and small group medical policies underwritten with durations of more than six months.

“Our comprehensive reviews turned up infractions in a number of areas – from unlicensed agents to unjustified denials of claims. Policyholders expect a level and standard of service, and in many instances, did not receive it. It is essential that insurance companies that want to do business in Connecticut strictly adhere to state laws and mandates. As a regulatory agency, we protect the consumer by ensuring that companies comply.”

Both companies agreed to pay a combined \$2.1 million in fines to the state and \$920,000 in restitution to policyholders in 2008 after an extensive examination by the CID's Market Conduct division into practices surrounding short-term health insurance policies, which cover a period of not more than six months. As a result of that review and subsequent agreement, CID examiners looked into the longer duration (over six months) policies from June 2009 to April 2010. Infractions included:

- Licensing issues – some agents were either not properly licensed or appointed by the companies;
- Failure to pay claims within 45 days
- Failure to pay claims without conducting a reasonable investigation
- Failure to pay claims as required by mandated benefits in Connecticut
- Insufficient documentation for regulators to review

As part of the consent order, the companies agree to undertake a complete review of their practices and procedures and will provide the Insurance Commissioner with a written report of their findings and any corrective actions within 90 days of the agreement.

[Click Here to read the consent orders for both companies](#) or go to [www.ct.gov/cid/LatestNewsReleases](http://www.ct.gov/cid/LatestNewsReleases)

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