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Department of Insurance
State of Idaho

Attorneys for Idaho Department of Insurance

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
OF THE STATE OF IDAHO**

In the Matter of:

TIME INSURANCE COMPANY

Idaho Certificate of Authority No. 149
NAIC ID No. 69477

Docket No. 18-2925-14

CONSENT ORDER

COME NOW the State of Idaho, Department of Insurance (Department), by and through its counsel, A. René Martin, Deputy Attorney General, and TIME INSURANCE COMPANY (TIME), and hereby stipulate and agree as follows:

1. TIME is a licensed insurance company in Idaho, holding Idaho Certificate of Authority No. 149 since October 1, 1956. Such certificate of authority authorizes TIME to engage in Idaho in the business of life insurance and disability insurance, excluding managed care.

2. Section 41-2103 of the Idaho Insurance Code, title 41, Idaho Code, entitled “Scope and format of policy,” provides that “[n]o policy of disability insurance shall be delivered or issued for delivery in [Idaho] unless it otherwise complies with [the Idaho Insurance Code]” and with the specific provisions set forth in Idaho Code § 41-2103(1) through –(9).

3. Beginning on July 1, 2009, the effective date of an amendment to such subsection by the Idaho Legislature, subsection (3) of Idaho Code § 41-2103 has provided as follows:

(3) [The policy of disability insurance] shall purport to insure only one (1) person, except that a policy may insure, originally or by subsequent amendment, upon the application of an adult member of a family, who shall be deemed the policyholder, any two (2) or more eligible members of that family, including husband, wife and any other dependent or dependents. As used in this subsection (3) and for all new and renewing policies, “dependent” includes an unmarried child under the age of twenty-five (25) years and who receives more than one-half (1/2) of his financial support from the parent, or an unmarried child of any age who is medically certified as disabled and dependent upon the parent.

4. TIME’s individual limited benefit policy form #497.001.ID, filed with the Department on April 9, 2008, included a definition of the term “dependent” that failed to comply with the definition of “dependent” provided in Idaho Code § 41-2103(3), as amended, as described in paragraph 3 above. When the definition of “dependent” was modified through the amendment to Idaho Code § 41-2103(3) referenced in paragraph 3 above, TIME failed to amend the definition of such term in individual limited benefit policy form #497.001.ID to conform with the change in Idaho law.

5. On January 15, 2013, TIME filed with the Department SERFF filing ASWX-G128771906 as an individual major medical plan with PPACA Endorsement Rider B460.ID. Such form amended the definition of “dependent,” as used by TIME in its individual major medical policy, to age 26, bringing the definition into compliance with the Patient Protection and Affordable Care Act.

6. TIME admits that, for the period from July 1, 2009, to January 15, 2013, the definition of “dependent” set forth in TIME’s individual limited benefit policy forms filed with the Department, as described herein, failed to comply with the definition of “dependent” provided in Idaho Code § 41-2103(3) as amended effective July 1, 2009, and that such noncompliance constituted a violation of Idaho Code § 41-2103(3).

7. On January 31, 2013, TIME provided to the Department both a letter and a notarized statement representing that no claims were denied or coverage declined or rejected due to its noncompliance with Idaho Code § 41-2103(3) during the time period from July 1, 2009 to January 15, 2013. The Department relies on such representation in entering into this Consent Order.

SANCTION

8. As a sanction for the violation referenced above, the Department and TIME agree that TIME shall pay to the Department an administrative penalty in the amount of five thousand dollars (\$5,000) by no later than February 25, 2014.

9. TIME agrees that in the future it will comply with all requirements of the Idaho Insurance Code and rules promulgated thereunder, and specifically with all requirements of Idaho law relating to its policies filed with the Department.

10. TIME acknowledges that this is an administrative action that is required to be reported on Department licensing applications and license renewal forms.

11. This Consent Order constitutes full and final resolution of all matters addressed herein, and the Department agrees that, upon execution of this Consent Order by TIME and TIME’s full compliance with all terms and conditions set forth herein, the Department shall seek no further sanctions for the violation addressed herein.

DATED this _____ day of _____, 2014.

TIME INSURANCE COMPANY

By: Janeke Hie

Title: Vice President Regulatory Compliance and Assurant Health Compliance Officer

DATED this 24 day of February, 2014.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

Weston Trexler
WESTON TREXLER
Bureau Chief, Product Review

IT IS SO ORDERED.

DATED this 24th day of Feb., 2014.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

For William W. Deal Dep. Dir.
WILLIAM W. DEAL
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 24th day of February, 2014, I caused a true and correct, fully-executed copy of the foregoing CONSENT ORDER to be served on the following by the designated means:

Time Insurance Company
Attn: Karen Griglak, Contract Compliance Analyst
501 West Michigan Street
Milwaukee, WI 53203

- first class mail
- certified mail
- hand delivery
- via facsimile

A. René Martin
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

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Teresa Jones