

JUL 24 1997

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY

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4 In the Matter of:) Docket No. 97A-129-INS
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6 CIGNA HEALTHCARE OF ARIZONA, INC.)) CONSENT ORDER
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8 Respondent.)
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The Director of Insurance of the State of Arizona (Director) has received evidence that CIGNA has used advertising material in the State of Arizona without first seeking approval from the Director.

In order to resolve this matter, without the commencement of formal proceedings, Respondent hereby admits that the following Findings of Fact are true and consents to the entry of the following Conclusions of Law and to the Order.

FINDINGS OF FACT

1. The Director is charged with the enforcement of Title 20, Arizona Revised Statutes, relating to insurance.
2. CIGNA HealthCare of Arizona, Inc. is authorized as a Health Care Services Organization under a Certificate of Authority issued by the Director in the State of Arizona pursuant to A.R.S. § 20-1054.
3. CIGNA entered into a Consent Order, Docket #96A-195 with the Department on November 5, 1996 in which CIGNA agreed to cease and desist from failing to file advertising material for approval prior to use.
4. On March 13, 1997 CIGNA filed Brochure: Individual and Family Plan, form 3-6-97, with the Director for his approval or disapproval pursuant to A.R.S. § 20-1057.

1 5. Brochure 3-6-97 was distributed in Arizona prior to the
2 time CIGNA filed the brochure on March 13, 1997.

3 6. On April 21, 1997 CIGNA resubmitted form 3-6-97 and
4 changed the form number to 4-37-97.

5 7. Brochure 4-37-97 (3-6-97) was not approved by the
6 Director of Insurance prior to its use in Arizona.

7 8. A CIGNA advertisement titled "Home Health Care Speeds
8 Recovery, Reduces Medical Costs" appeared in the April 3, 1997
9 edition of the Arizona Business Gazette.

10 9. CIGNA failed to file the ad appearing in the April 3,
11 1997 Arizona Business Gazette with the Director prior to use on
12 April 3, 1997.

13 CONCLUSIONS OF LAW

14 1. The Director has jurisdiction over this matter.

15 2. By failing to file advertising material for approval by
16 the Director prior to use, CIGNA violated A.R.S. § 20-1057(D) and
17 (G).

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19 ORDER

20 CIGNA HealthCare of Arizona, Inc. having admitted the
21 jurisdiction of the Director to enter into this Order, having
22 waived the Notice of Hearing, and having consented to the entry of
23 this Order, and there being no just reason for delay:

24 IT IS HEREBY ORDERED THAT:

25 1. CIGNA shall cease and desist from disseminating
26 advertising matter in Arizona which has not been filed with, and
27 approved by, the Director.

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2. CIGNA shall pay a civil penalty of \$3,000 to the Director of Insurance, within 20 days from the date of the entry of this Order, for remission to the State Treasurer for deposit in the State General Fund.

3. The brochure 4-37-97 (3-6-97) filed on March 13, 1997 and April 21, 1997 was withdrawn by CIGNA on May 14, 1997.

DATED this 23 day of July, 1997.



John A. Greene
Director of Insurance

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CONSENT TO ORDER

1. Respondent, CIGNA HealthCare of AZ, Inc., has reviewed the foregoing Order.

2. Respondent is aware of its right to a hearing at which hearing Respondent may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such public hearing and to any court appeals relating thereto.

3. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and to the Order.


4. Respondent states that no promise of any kind or nature whatsoever was made to induce it to enter into this Order and that it has entered into this Order voluntarily.

5. Respondent acknowledges that the acceptance of this Order by the Director of Insurance, State of Arizona, is solely for the purpose of settling this litigation against it and does not preclude any other agency or officer of this state or subdivision thereof from instituting other civil or criminal proceedings as may be appropriate now or in the future.

6. Allen R. Woolf, M.D. represents that as Vice President and Medical Director he/she is an officer of CIGNA HealthCare of Arizona, Inc. and that, as such, he/she has been authorized by it to enter into this Order for and on its behalf.

CIGNA HEALTHCARE OF ARIZONA, INC.

JULY 22, 1997
(date)

By 
Allen R. Woolf, M.D.

1 COPY of the foregoing mailed/delivered
2 this 24th day of July , 1997, to:

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

14 DEPARTMENT OF INSURANCE
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