



State of Connecticut

Insurance Department

THOMAS R. SULLIVAN
COMMISSIONER

OFFICIAL NEWS RELEASE

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CONTACT: Dawn McDaniel
(860) 297-3958

Two Assurant Health companies to pay penalty *Penalty is \$2.1 million*

Hartford – Insurance Commissioner Thomas R. Sullivan announced a regulatory settlement today that ends a lengthy investigation, requires two Assurant Health insurers to implement a corrective action plan and requires the insurers to pay approximately \$920,000 in restitution to insureds and \$2.1 million in monetary penalties. The State of Connecticut Insurance Department alleges that the companies violated Connecticut insurance laws and regulations arising under short-term health insurance policies. The two Assurant Health insurers are: John Alden Life Insurance Company, and Time Insurance Company (formerly known as Fortis Insurance Company). View the [settlement agreement](#)

The agreement ends the Insurance Department's investigation into the market practices of the Insurers relating to short-term health insurance sold in Connecticut during 2000 through 2005 and the Department's market conduct examination of the Insurers for the period January 1, 2001 to April 30, 2007. While the Insurers have cooperated fully with the Insurance Department's investigation and examination, they neither admit nor concede any actual or potential violation, fault, wrongdoing, or liability in connection with the Department's allegations.

"The Assurant Companies are paying a severe monetary penalty to the State of Connecticut," Commissioner Sullivan said. "Our examination primarily related to what we believed were unfair acts or practices arising under their administration of short-term health insurance policies."

"All Connecticut consumers must be treated fairly, reasonably, and in accordance with our laws," said Commissioner Sullivan. "As insurance commissioner, I will ensure this occurs, and today's agreement will hold these insurers to high standards going forward through the corrective action plan."

Under the terms of this settlement, the Insurers will:

- Pay \$2.1 million to the state as a monetary penalty (\$1,050,000 from each insurer);
- Pay the examination fees and costs;
- Pay and continue to pay restitution on claims considered by the state to have been wrongly denied or policies improperly rescinded, cancelled or limited plus interest to claimants or providers (approximately \$920,000);
- Promptly process and make appropriate payment, including interest with respect to a population of closed claims identified in the Examination that were closed without payment or notice of denial to insureds.
- Make restitution and/or other appropriate adjustments as appropriate on pending and future consumer complaints filed with the Department if it is determined that improper rescission, cancellation, limitation or claim denial occurred;
- Implement a plan of corrective action to address regulatory concerns for the benefit of former, current, and future policyholders and insureds.

In addition, the settlement agreement calls for a future Department market conduct examination of the Insurer's individual medical and small group medical (non-six month coverages).

Commissioner Sullivan thanked Attorney General Richard Blumenthal and members of his office for the assistance in the investigation, including Assistant Attorneys General Thomas Ryan and Arnold Menchel, and those within the Insurance Department who worked on the investigation, including Jon Arsenault, Beth Cook, Mark Franklin, Amy Lazzaro, Timothy Lyons and Wendy Manemeit.

ABOUT THE CONNECTICUT INSURANCE DEPARTMENT

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices. For more information, visit the Connecticut Insurance Department at www.ct.gov/cid.

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