

BEFORE THE DIVISION OF INSURANCE  
DEPARTMENT OF LABOR AND REGULATION  
STATE OF SOUTH DAKOTA

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IN THE MATTER OF COVENTRY )  
HEALTH AND LIFE INSURANCE COMPANY )                      CONSENT ORDER

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In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

COVENTRY HEALTH AND LIFE INSURANCE COMPANY, (“COVENTRY”), whose mailing address of record is 6720-B Rockledge Dr. #700, Bethesda, MD 20817, is an insurance company licensed to transact business in the State of South Dakota;

COVENTRY is aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation;

The Division alleges the following with regard to COVENTRY:

- 1) COVENTRY entered a Group Master Contract with the National Production Workers Insurance Trust Fund, signed September 3, 2013, to provide health coverage to members of the group;
- 2) Pursuant to SDCL § 58-11-12, group policies issued or delivered outside the State of South Dakota shall be filed with the Division for informational purposes;
- 3) COVENTRY violated SDCL § 58-11-12 by failing to file the group forms with the Division;
- 4) The above-cited conduct provides grounds for the revocation or suspension of Coventry’s certificate of authority in South Dakota pursuant to SDCL § 58-6-46.

COVENTRY is aware of and understands the nature of the allegations and has been informed that it has the right to a Notice of Hearing, counsel and appeal and that by agreeing to sign this Consent Order, waives these rights;

In return for Coventry agreeing to the provisions of this Consent Order, the Division agrees not to proceed to hearing and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL § 1-26-20;

COVENTRY agrees to pay \$5,000 pursuant 58-4-28.1, in lieu of an application denial, administrative hearing, and Final Decision;

COVENTRY further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota;

COVENTRY further agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

COVENTRY waives its right to contest the allegations contained in this Consent Order in any future actions or licensing procedures;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that COVENTRY pay a monetary penalty in the amount of \$5,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further


ORDERED that COVENTRY abide by the agreements made by it in this Consent Order; and it is further

ORDERED that should Coventry fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of Coventry's license at hearing pursuant to SDCL § 58-6-46, or seek other remedies available at law; and it is further

ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further


ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 3<sup>rd</sup> day of September, 2015.

  
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Larry Deiter, Director  
South Dakota Division of Insurance

The undersigned, on behalf of COVENTRY, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enter into this Consent Order.

Dated this 28<sup>th</sup> day of August, 2015.

  
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Signature of Authorized Representative  
Duke Mackel  
\_\_\_\_\_  
Printed Name  
CEO  
\_\_\_\_\_  
Title