

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of)
Banking and Insurance, State of New Jersey,) CONSENT
with respect to Cigna Health and Life Insurance) ORDER
Company (NAIC No. 67369))

TO: Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon the filing of a Market Conduct Examination Report ("Report") containing the results of the January 1, 2016 to June 31, 2016 examination of the practices of Cigna Health and Life Insurance Company ("Cigna") with respect to preparation and use of Summaries of Benefits and Coverages, as performed by the New Jersey Department of Banking and Insurance ("Department") pursuant to the authority provided at N.J.S.A. 17:23-20 et seq.; and

WHEREAS, the market conduct examination did not reveal instances of noncompliance with various provisions of New Jersey insurance statutes or regulations.

NOW, THEREFORE, IT IS on this 19th day of MAY, 2017

ORDERED AND AGREED that the attached Report will be adopted and filed as an official record of the Department; and

IT IS FURTHER ORDERED AND AGREED that, pursuant to N.J.S.A. 17:23-24d(1), within 30 days of the adoption of the Report, the Company shall file an affidavit with the

Department's Market Conduct Unit, stating under oath that its directors have received a copy of the adopted Report.



Peter L. Hart
Director of Insurance

Date: MAY 19 2017

Consented by the Company to as to form, content and entry

Elizabeth Quattrocki, Assistant Secretary
Name

Date: 5/4/17

MARKET CONDUCT EXAMINATION

of

**CIGNA HEALTH AND LIFE INSURANCE COMPANY
(NAIC Company Number 67369; Group Number 901)
Domiciled in Bloomfield, Connecticut**

and

**CIGNA HEALTHCARE OF NEW JERSEY, INC
(NAIC Company Number 95500; Group Number 901)
Domiciled in Jersey City, New Jersey**

as of

February 7, 2017

BY EXAMINERS

of the

STATE OF NEW JERSEY

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

OFFICE OF CONSUMER PROTECTION SERVICES

MARKET REGULATION SECTION

REPORT ADOPTED: MAY 23, 2017

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I. INTRODUCTION

This is a report of the Market Conduct activities of Cigna Health and Life Insurance Company and Cigna HealthCare of New Jersey, Inc. (hereinafter referred to as "Cigna" or "the Company"). Authority for this examination is found at N.J.S.A. 26:2J-18.1 and N.J.A.C. 11:24-2.12 for Cigna HealthCare of New Jersey, Inc., a health maintenance organization ("HMO"), and N.J.S.A. 17:23-22 for Cigna Health and Life Insurance Company. Market Conduct Examiners from the New Jersey Department of Banking and Insurance (hereinafter referred to as the "Department" or "DOBI") conducted this examination. The examiners present their findings, conclusions and recommendations in this report as a result of their market conduct examination of the Company. The Market Conduct Examiners were Examiner-in-Charge Robert Greenfield and examiners Marleen Sheridan, William Sonntag, Richard Segin, Erin Porter and Michael Wise.

A. Scope of Examination

Pursuant to 29 C.F.R. 2590.715-2715 (group plans) and 45 C.F.R. 147.200(a) (individual plans), a health insurance issuer offering a group or individual health benefit plan is required to provide a Summary of Benefits and Coverage (hereinafter referred to as "SBC") for each benefit plan without charge to entities and individuals upon application, renewal, reissuance and reinstatement. The SBC is to include, among other things, a description of the coverage, including cost sharing, for each category of benefits and the exceptions, reductions and limitations of coverage. The scope of the examination included a census review of SBCs for health benefits plans issued in the individual and small employer markets to determine their accuracy. The examiners deemed an SBC to be accurate if it: 1) provided information consistent with the benefit summary that accompanied the rate filings for the pertinent health benefits plan as filed with the Department; and 2) complied with the limitations on cost sharing at N.J.A.C. 11:22-5.1 et seq.

The review period for this examination included SBCs issued as of January 1, 2016 and June 1, 2016. The examiners conducted this review at its Trenton, NJ office between June 27, 2016 and December 31, 2016.

Population sampling of Cigna's product portfolios was unnecessary because the examiners conducted a census review of specimen copies of all 2016 individual and small employer health benefits plans and their corresponding SBCs. The examiners conducted this review in accordance with the National Association of Insurance Commissioners' (hereinafter referred to as "NAIC") Market Regulation Handbook, Chapters 14, 16, 20 and 20A.

B. Error Ratios

Error ratios are the percentage of SBCs reviewed which contained an error. A SBC is counted as an error when the stated benefit, benefit level, cost sharing or limitation is inconsistent with the information that accompanied the rate filing for that health benefits plan. As an example, an SBC that listed a \$10 co-pay for a physical therapy visit would be in error if the information in the rate filing showed a \$20 co-pay for physical therapy.

If a single SBC contains multiple errors, the examiners will count that SBC only once in calculating error ratios. However, any SBC that contains more than one error will be cited more than once in the report.

The examiners submitted written inquiries to Company representatives on the findings outlined in this report. These inquiries provided Cigna with an opportunity to respond to the examiners' findings and to provide exceptions to any statutory and/or regulatory errors or mishandling reported herein.

C. Company Profiles

Cigna HealthCare of New Jersey, Inc.

Cigna HealthCare of New Jersey, Inc. ("CHC NJ") is a licensed health maintenance organization in the state of New Jersey. CHC NJ provides health insurance services throughout the NJ region. Principal products and services include managed care products and services.

CHC NJ became part of the Cigna Corporation on September 30, 1986. Its name was changed to Cigna HealthCare of Northern New Jersey, Inc. on September 1, 1993 and changed to Cigna HealthCare of New Jersey, Inc. on January 1, 1999.

CHC NJ is a wholly owned subsidiary of Healthsource, Inc. Healthsource, Inc. is a wholly owned subsidiary of Cigna Health Corporation, which is a wholly owned indirect subsidiary of Cigna Corporation. Cigna Corporation is the ultimate controlling entity of all of the aforementioned entities.

Cigna Health and Life Insurance Company

On April 1, 2008, Connecticut General Life Insurance Company ("CGLIC") entered into an asset and stock purchase agreement with Great-West Life & Annuity Insurance Company ("Great-West") whereby CGLIC acquired the health care division of Great-West through a fully assumed indemnity reinsurance agreement and acquired Alta Health and Life Insurance Company ("Alta), an Indiana-domiciled life and health insurer, through a

stock purchase. As a result, Alta became a direct wholly-owned subsidiary of CGLIC and an indirect subsidiary of Cigna Corporation. On March 3, 2010, Alta was redomesticated from Indiana to Connecticut and its name was changed to Cigna Health and Life Insurance Company (“CHLIC”).

CHLIC is licensed in the 50 states and the District of Columbia, Puerto Rico and US Virgin Islands. CHLIC offers group life, accident, disability and health and dental insurance products. CHLIC also offers individual health insurance products in several states. It also contracts with employers, unions and other groups to administer self-insured group health benefit plans and provide related services. In New Jersey, CHLIC is licensed for life, health, annuities and variable contracts. Cigna Health and Life Insurance Company Cigna Corporation, together with its subsidiaries, is a global health services organization.

II. SUMMARY OF BENEFITS AND COVERAGE REVIEW

A. Introduction

As of January 1, 2016, the Companies maintained a total of 4 SBCs. Products available included an Indemnity plan, two Health Maintenance Organization plans and one Preferred Provider Organization plan. The Companies offered these products with various features and cost sharing options.

B. Error Ratios

The examiners calculated the error ratios by applying the procedure outlined in the introduction of this report. As indicated in the chart below, the examiners reviewed a census population of 4 specimen SBCs and the benefit information in the rate filings for the pertinent plans. As outlined below, the examiners found no errors in this review.

Summary of Benefits and Coverages (SBC) Error Ratio Chart

<u>Company</u>	<u>SBC Documents Reviewed</u>	<u>SBC Documents in Error</u>	<u>Error Ratio</u>
Cigna Health and Life Insurance Company	2	0	0%
Cigna HealthCare of New Jersey, Inc.	<u>2</u>	<u>0</u>	0%
Totals	4	0	0%

C. Examiners' Findings

1. Consistency between the Summary of Benefits and Coverages and Benefit Summaries included in the associated Rate Filing. Zero Files in Error

The examiners reviewed 4 SBCs and found no errors when comparing SBCs to benefit information in the appropriate rate filings. The examiners also reviewed all SBCs to determine compliance with N.J.A.C. 11:22-5.1 et seq. The examiners found no errors in these reviews.

III. VERIFICATION PAGE

I, Robert Greenfield, am the Examiner-in-Charge of the Market Conduct Examination of Cigna Health and Life Insurance Company and Cigna HealthCare of New Jersey, Inc. conducted by examiners of the New Jersey Department of Banking and Insurance. This verification is based on my personal knowledge as acquired in my official capacity.

The findings, conclusions and recommendations contained in the foregoing report represent, to the best of my knowledge, a full and true statement of the Market Conduct Examination of Cigna Health and Life Insurance Company and Cigna HealthCare of New Jersey, Inc. as of February 7, 2017.

I certify that the foregoing statements are true. I am aware that if any of the foregoing statements made by me is willfully false, I am subject to punishment.

2/23/17
Date

Robert Greenfield
Robert Greenfield
Examiner in Charge
New Jersey Department of Banking
and Insurance