M. GALE LEMMON #4363
Assistant Attorney General
MARK L. SHURTLEFF #4666
Attorney General
Attorneys for Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone (801) 538-3872

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF UTAH

COMPLAINANT: UTAH INSURANCE DEPARTMENT **RESPONDENT:** HOUSEHOLD LIFE INSURANCE COMPANY 200 SOMERSET CORPORATE BLVD STE 100 BRIDGEWATER, NJ 08807 Utah Org. Id. No. 1647	**NOTICE OF INFORMAL ADJUDICATIVE PROCEEDING AND ORDER** DOCKET No. 2006-158 HL Enf. Case No. 1935

The Utah Insurance Department has commenced this informal adjudicative proceeding pursuant to Utah Code Ann. §§ 31A-2-101 and 63-46b-3 and Utah Admin. Code R590-160. Based upon information contained in agency files or known to the Commissioner, the Commissioner makes the following:

FINDINGS OF FACT

1. Respondent is an insurer authorized to do the business of insurance in the State of Utah, Utah Organization Identification Number 1647.

2. Respondent failed to respond to an Order of the Commissioner, dated September 21, 2006, which required a substantive response on or before October 31, 2006. The Order required

the company to respond by either complying with U.C.A. 31A-22-617.1, by filing with the Utah Insurance Department a copy of their written criteria for adding preferred providers to a new or existing preferred provider panel with the Utah Insurance Department, or to file a notice with the Utah Insurance Department stating that their company does not have or use preferred provider panels (see Exhibit A).

3. Thereafter, the Respondent was required, by a Final Notice letter dated November 6, 2006, to provide a substantive response to the Commissioner's initial inquiry on or before November 15, 2006 (see Exhibit B).

4. As of the date of this Notice of Informal Adjudicative Proceeding and Order, no response has been received and the time for response and any extensions granted has expired.

Having entered his Findings of Fact, the Commissioner now enters his:

CONCLUSION OF LAW

1. In failing to submit a timely response to an inquiry from the Commissioner, the Respondent violated Utah Code Ann. Subsection 31A-2-202(4).

2. Respondent violated Utah Code Ann. Subsection 31A-22-617.1(1)(c).

3. Respondent has violated the Order of the Commissioner dated September 21, 2006.

4. Pursuant to Utah Code Ann. Section 31A-2-308, if a licensee violates any insurance statute or an Order of the Commissioner, the Commissioner may assess forfeitures of up to $5,000 for each violation.

Based upon the foregoing Findings of Fact and Conclusions of Law, the Commissioner now enters the following:

ORDER

IT IS HEREBY ORDERED:

1. Respondent shall pay an administrative forfeiture in the amount of $750.00. Said forfeiture shall be paid no later than ten (10) days after the date this Order becomes final.

2. Respondent shall provide a substantive response to the Commissioner's inquiries to be received in the offices of the Utah Insurance Department no later than ten (10) days after the date this Order becomes final.

3. This Order shall become final fifteen (15) days after the date of mailing unless a written request for a hearing is received from the Respondent in the offices of the department prior to that date. A written request for a hearing shall be signed by the person making the request and shall state the basis for the relief requested.

NOTIFICATION

If you request a hearing regarding this matter, the department will be represented by M. Gale Lemmon, Assistant Attorney General, State Office Building, Room 3110, Salt Lake City, Utah 84114, Telephone Number (801) 538-3800. Failure to request a hearing will be considered a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

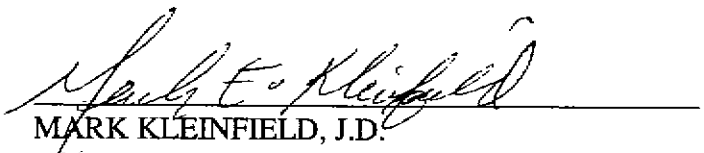
You are further notified that a failure to obey an Order of the commissioner may subject you to further penalties, including forfeitures of up to $5,000.00 per violation and the suspension or revocation of your license of the filing of an action to enforce this Order in District Court which may impose forfeitures of up to $10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

Questions regarding this Adjudicative Proceeding should be directed to Jeffrey E. Hawley, Ph.D., at the Utah Insurance Department (801) 538-9684.

DATED THIS 5th day of December, 2006.

D. KENT MICHIE
INSURANCE COMMISSIONER



MARK KLEINFIELD, J.D.
ADMINISTRATIVE LAW JUDGE
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone (801) 538-3800

State of Utah
INSURANCE DEPARTMENT

D. Kent Michie
Commissioner

Jon M. Huntsman, Jr.
Governor

Gary R. Herbert
Lieutenant Governor

State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone: (801) 538-3800
Facsimile: (801) 538-3829
www.insurance.utah.gov

A

September 21, 2006

HOUSEHOLD LIFE INSURANCE COMPANY
200 SOMERSET CORPORATE BLVD
STE 100
BRIDGEWATER, NJ 08807

ORDER

RE: CRITERIA FOR PARTICIPATING PROVIDER CONTRACTS.

Effective January 1, 2006, the Utah Legislature enacted new legislation which requires all companies with accident and health business to establish a set of criteria for adding health care providers to a new or existing provider panel and to file a copy of the written criteria with the Utah Insurance Department (see Utah Code Annotated (U.C.A.) § 31A-22-617.1(1)(a) and (c)).

As of the date of this mailing, the Utah Insurance Department does not have record of your company's provider contract criteria on file. Utah Code Annotated (U.C.A.) § 31A-2-201(4) authorizes the commissioner to require this information promptly and in writing. You are hereby ordered to submit the required information **by no later than October 31, 2006.**

You may comply with the commissioner's order in two ways. If your company has a new or existing provider panel for accident and health insurance, your company must file a copy of the written criteria for adding or terminating participating providers with the Utah Insurance Department. If your company does not have or use preferred provider panels, your company must file a notice stating that they do not have or use preferred provider panels.

Please note that if your preferred provider criteria changes, you are required to submit the new criteria to the Utah Insurance Department (see Utah Code Annotated (U.C.A.) § 31A-22-617.1(1)(g)).

Failure to respond to this request may subject your company to the enforcement penalties under Utah Code Annotated (U.C.A.) § 31A-2-308. Those penalties include monetary forfeitures and/or other sanctions. If you have any questions regarding this notice, please contact Jeff Hawley at 801-538-9684 or via email at jhawley@utah.gov.

D. Kent Michie

D. KENT MICHIE
INSURANCE COMMISSIONER

State of Utah
INSURANCE DEPARTMENT

D. Kent Michie
Commissioner

Jon M. Huntsman, Jr.
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www.insurance.utah.gov

B

November 6, 2006

HOUSEHOLD LIFE INSURANCE COMPANY
200 SOMERSET CORPORATE BLVD
STE 100
BRIDGEWATER, NJ 08807

Final Notice

RE: FAILURE TO RESPOND TO AN ORDER OF THE COMMISIONER

On September 21, 2006, the Utah Insurance Commissioner sent your company an Order, which required your company to comply with Utah Code Annotated (U.C.A.) § 31A-22-617.1(1)(a) and (c). This statute requires all insurance companies with accident and health business to establish a set of criteria for adding health care providers to a new or existing provider panel and to file a copy of the written criteria with the Utah Insurance Department (see the attached copy of the original Order, sent September 21, 2006).

As stated in the Order, if your company has a new or existing provider panel for accident and health insurance, your company must file a copy of the written criteria for adding or terminating participating providers with the Utah Insurance Department. If your company does not have or use preferred provider panels, your company must file a notice stating that they do not have or use preferred provider panels. As of the date of this notice, the deadline for responding has passed, no response has been received, and your company appears to be in violation of an Order of the Commissioner.

Failure to respond to this notice **by November 15, 2006**, may subject your company to enforcement penalties under Utah Code Annotated (U.C.A.) § 31A-2-308. Those penalties include monetary forfeitures and/or other sanctions. If you have any questions regarding this notice, or you believe that your company has already complied with the Order, please contact Jeff Hawley at 801-538-9684 or via email at jhawley@utah.gov.

D. Kent Michie

D. KENT MICHIE
INSURANCE COMMISSIONER

CERTIFICATE OF MAILING

I do hereby certify that on this date I mailed, by regular mail, postage prepaid, a true and correct copy of the attached:

NOTICE OF INFORMAL ADJUDICATIVE
PROCEEDING & ORDER

To the following:

HOUSEHOLD LIFE INSURANCE COMPANY
200 SOMERSET CORPORATE BLVD
STE. 100
BRIDGEWATER, NJ 08807

DATED this 5 th day of December, 2006

Linda Hardy Insurance Technician

UTAH
Invoice - Original

Printed Date: December 05, 2006

Invoice Date:	December 05, 2006
Balance Due:	$750.00
Due Date:	December 16, 2006
Invoice ID:	314020
Payor ID:	1647

JEANNE MITCHELL
HOUSEHOLD LIFE INSURANCE COMPANY
200 SOMERSET CORPORATE BLVD
STE 100
BRIDGEWATER NJ 08807

Item Description		Amount
12/5/2006	Monetary Penalty Company	$750.00
	E-Case 1935 Docket 2006-158 HL	
	Original Amount Due	$750.00

UTAH
Invoice - Original

Invoice Date:	December 05, 2006
Balance Due:	$750.00
Due Date:	December 16, 2006
Invoice ID:	314020
Payor ID:	1647
Payor Name:	HOUSEHOLD LIFE INSURANCE COMPANY

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901