

**STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE**

IN RE:)
)
CIGNA HEALTHCARE OF MAINE,) DECISION AND ORDER
INC. PROPOSED PLAN OF)
WITHDRAWAL)

INTRODUCTION

By filing made with the Superintendent of Insurance on April 1, 2009, by CIGNA HealthCare of Maine, Inc., NAIC Company Code 95447 (the “Company”), the Company submitted a proposed Plan of Withdrawal associated with the intended discontinuance of its HMO business in the State of Maine (the “Plan”). Under the Plan, the Company will no longer offer HMO plans to employers for coverage of employees and their eligible dependents in Maine (as well as New Hampshire and Massachusetts) effective January 1, 2010. The Company is the only member of the CIGNA Group currently offering such plans in Maine, and this decision affects the CIGNA HMO and CIGNA HMO Point-of-Service plans across CIGNA’s HMO network.¹

The Company represented that it currently provides coverage in Maine to 1,047 members / subscribers through 39 group contracts. The proposed commencement of withdrawal from the market will begin January 1, 2010, with plans discontinued at the time of renewal. The Company will provide all existing group contract holders at least 180 days’ notice of discontinuance. The HMO withdrawal will not affect any other coverage the CIGNA Group may provide through other CIGNA HealthCare and CIGNA Group Insurance companies (*e.g.*, Network, Network/POS, Open Access Plus, PPO, CDHP and Indemnity medical plans; dental, life, accident or long term disability plans; or Employee Assistance Plans (EAPs)). The HMO business is, however, the only business this Company writes. Therefore, upon completion of the Plan, the Company will cease doing business and ultimately discontinue its separate corporate existence.

As a result of the CIGNA Group’s withdrawal from the HMO market, the Company will discontinue all existing Maine HMO and Point-of-Service coverage. Employers will have the option of replacing their plans upon renewal with one or more of the various plans that CIGNA companies continue to offer. Although the Company will discontinue its HMO business in Maine, the CIGNA Group states that it is committed to growing its health insurance business in Maine through Connecticut General Life Insurance Company (“CGLIC”). The CIGNA Group intends to offer all current group customers the option of procuring group health insurance coverage through CGLIC. The Company explained that because CGLIC maintains substantially the same provider network in Maine as the Company, most group participants will be allowed uninterrupted access to their participating providers. Thus, members covered under discontinued group plans should be able to see the same participating providers on an in-network basis if their employer elects to convert to a comparable CGLIC plan.

As part of the Plan, the Company proposes a communications schedule commencing May 1, 2009, that includes account manager communications and training followed by letters to be sent to brokers / producers, group employers / contract holders, group employee members / subscribers, COBRA members, conversion members (from the group market to the individual market), individuals, and providers. Procedures are also established for processing returned mail.

The Company has a small number of individual enrollees. The Company is withdrawing from the individual health plan market in Maine, and no other CIGNA company participates or intends to participate in that market. Pursuant to 24-A M.R.S.A. § 2850-B(3)(F-1), the Company will cease renewing all individual contracts beginning January 1, 2010, and thereafter will discontinue existing coverage agreements at the time of policy renewal. The Company will provide at least 6 months' notice of nonrenewal to all existing contractholders.

The Company plans to surrender its Certificate of Authority following eighteen months of claim run-out, or such other time period required by the Superintendent.

GOVERNING LAWS

The Superintendent's review and approval of the proposed Plan of Withdrawal, including the termination of the Certificate of Authority, is governed by 24-A M.R.S.A. §§ 2850-B, 2736-C(4), and 415-A; and Insurance Rule Chapter 400.

ORDER

The proposed Plan of Withdrawal and termination of Certificate of Authority of CIGNA HealthCare of Maine, Inc. is approved as filed, subject to the following conditions:

1. The Company shall comply with the terms of its proposed Plan of Withdrawal filed with the Superintendent on April 1, 2009, including use of the proposed communications letters attached thereto.
2. Until all claims run-out is completed for all contracts or policies issued by the Company in Maine, the Company shall continue to be governed by 24-A M.R.S.A. §§ 2850-B, 2808-B, and 2736-C. 24-A M.R.S.A. §§ 2850-B(4)(C), 2736-C(4)(B).
3. Upon discontinuance of coverage pursuant to the Plan of Withdrawal, the Company shall provide certificates of creditable coverage to all group employee members / subscribers, COBRA members, conversion members, and individuals. *See* 24-A M.R.S.A. § 2849-C.
4. The Company is prohibited from writing new business in the group and individual health plan markets for a period of 5 years from April 1, 2009, unless the Superintendent waives this requirement for good cause shown. 24-A M.R.S.A. §§ 2850-B(4)(C), 2736-C(4)(C).
5. In order to ensure that the Company meets its existing contractual obligations for Maine policies in-force at the time of withdrawal or discontinuance:

(a) The Company is prohibited from making any dividend payments until all claims under the Company's contracts and/or policies subject to the Plan of Withdrawal are paid in full.

(a) CIGNA Group shall provide a parental guarantee to the Superintendent as security for all claims under the Company's contracts and/or policies subject to the Plan of Withdrawal.

6. Following eighteen months of claims run-out, the Company shall provide to the Bureau a statement of its outstanding obligations to Maine policyholders, claimants and creditors including but not limited to policy reserves, policy liabilities, unearned premiums and unpaid losses, such to include a provision for incurred but not reported claims, all as of a date not earlier than 30 days prior to filing. *See* Ch. 400, § 4(E).
7. The Company shall submit timely reports and financial disclosures deemed necessary and adequate by the Superintendent in the determination of performance under the Plan of Withdrawal. Ch. 400, § 4(I).
8. The Company shall remain subject to examination by the Bureau of Insurance as deemed necessary by the Superintendent. Ch. 400, § 4(J).
9. The Company shall comply with requirements of Title 24-A, Chapter 23, Trade Practices and Frauds, and any other applicable provisions of Title 24-A, M.R.S.A. as long as it has any policies in force in this State. Ch. 400, § 4(L).

¹ Self-insured plans for which the Company or another CIGNA entity provides administrative and network services may also be affected, but such programs are outside the jurisdiction of the Superintendent.

PER ORDER OF THE SUPERINTENDENT OF INSURANCE

April ____, 2009

MILA KOFMAN
Superintendent of Insurance