

FILED

MAR 17 2014

COMMISSION OF INSURANCE
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

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| IN THE MATTER OF |) | ORDER AND CONSENT TO ORDER |
| CONTINENTAL CASUALTY COMPANY |) | |
| NAIC COMPANY CODE # 20443 |) | DIVISION FILE NO.: 82348 |

Now comes the Iowa Insurance Division ("Division"), pursuant to the provisions of the Iowa Insurance Trade Practices Act – chapter 507B and the Iowa Long-Term Care Insurance Act – chapter 514G. The Division alleges that Continental Casualty Company ("Continental") failed to timely respond to the Division's request for selection of an independent reviewer of benefits pursuant to Iowa Code § 514G.110 (2013). Continental consents to the entry of this Order. Continental admits that the Iowa Insurance Division has personal jurisdiction over it and has subject matter jurisdiction over this matter.

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Nick Gerhart, pursuant to Iowa Code § 505.8 (2013), administers the Iowa Insurance Trade Practices Act – Iowa Code Chapter 507B and the Iowa Long-Term Care Insurance Act – Iowa Code Chapter 514G.
2. Continental Casualty Company ("Continental") is an insurer with a last known business mailing address of CNA Insurance, CNA Plaza 24SG, Chicago, IL 60685.
3. Continental is and has been an Iowa licensed as an insurer since February 1, 1900.

II. FACTUAL ALLEGATIONS

4. Continental, a licensed insurer in the state of Iowa, has filed a Uniform Consent to Service of Process, which was most recently amended on September 29, 2011, pursuant to Iowa Code § 515.76. In submitting the Uniform Consent to Service of Process, Continental designated the Commissioner as an agent for service of process.

5. The Division issued Continental a license as an insurance company on February 1, 1900 and assigned NAIC number 20443.
6. On January 6, 2014, the Division received a request for independent review of benefits for long-term care insurance regarding Client A, an Iowa insured.
7. On January 7, 2014, the Division sent the request for independent review of benefits to Continental using two complaint contact email addresses on file with State Based Systems ("SBS"), a state regulatory database system.
8. On January 14, 2014, the Division received a second request for independent review of benefits for long-term care insurance regarding Client B, an Iowa insured.
9. On January 14, 2014, the Division sent the request for independent review of benefits from Client B to Continental by first class U.S. Mail. The Division also included in the letter a copy of Client A's request for independent review of benefits. The Division used the U.S. Mail because of the lack of a response from Continental to the emails of January 7, 2014.
10. On January 21, 2014, Continental was contacted by the undersigned via email to the two complaint contact email addresses on file with SBS requiring a written response to the Client A's request for independent review of benefits. A response to the emails was due by Thursday, January 23, 2014. No response was received to the emails.
11. On January 24, 2014 at 4:23 p.m. CST, a fax was received from CNA Consumer Services with a letter regarding the independent review of benefits for Client A. The letter stated Continental's selection of an independent reviewer. This response was not in compliance with the three day requirement for selecting an independent review entity as required by Iowa Code § 514G.110 and Iowa Administrative Rule 191-39.48.
12. On February 7, 2014, a fax was received from CNA with a letter that stated the selection of an independent reviewer for Client B. This response was also not in compliance with the

three day requirement for selecting an independent review entity as required by Iowa Code § 514G.110 and Iowa Administrative Rule 191-39.48.

**III. VIOLATION OF IOWA INSURANCE LAWS AND REGULATIONS
FAILURE TO TIMELY RESPOND TO THE DIVISION'S NOTICE REGARDING INSURED'S
REQUEST FOR INDEPENDENT REVIEW OF BENEFITS**

13. Paragraphs 1 – 12 are incorporated by reference.
14. Continental failed to timely respond to the Division's request for selection of an independent reviewer of benefits in violation of Iowa Code § 514G.110 (2013) and Iowa Administrative Rule 191-39.48.
15. The violation of Iowa Code Chapters 507B and 514G and applicable rules is grounds for revocation, suspension, censure, and/or the imposition of a civil penalty and an order requiring such person to cease and desist from the acts, methods or practices stated in this statement of charges pursuant to Iowa Code §§ 507B.6, 507B.7, 514G.113 (2013) and Iowa Administrative Rule 191-39.32.

ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code Chapters 507B and 514G that:

1. Continental shall cease and desist violating Iowa Code chapter 514G and its rules, specifically including any violation of Iowa Code § 514G.110 for failure to timely select an independent reviewer of benefits as required by this statute.
2. Continental shall pay a civil penalty of \$2,000 to the Division upon the signing of this Order. A check for \$2,000 shall be made payable to the Iowa Insurance Division and remitted along with the signed Consent to Order to the Iowa Insurance Division, 601 Locust St., 4th

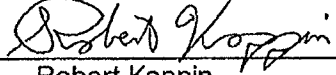
Floor, Des Moines, Iowa 50309-3738 with attention to Robert Koppin, Enforcement Bureau Chief.

3. Nothing contained in the Order shall in any way limit the right of the Division to institute administrative or legal action against Continental for any other past conduct or future activity in violation of Iowa laws or regulations.

Dated this 10 day of March, 2014.



NICK GERHART
Iowa Insurance Commissioner

Iowa Insurance Division
By: 

Robert Koppin
Enforcement Bureau Chief

CONSENT TO ORDER

I, Christine Michals being a duly authorized signatory, have read, understood, and do knowingly consent to this Order in its entirety. By executing this consent, I understand that I am waiving Continental Casualty Company's rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review. I also understand that this Order is considered final administrative action that shall be reported to the National Association of Insurance Commissioners. I also understand that this Order is a public record under Iowa Code chapter 22 (2013), that will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code section 505.8(6)(c) (2013). I also understand that the information contained in the Order will be posted to the Division's web site and a notation will be made to a publicly available web site record that administrative action has been taken against the company.

Dated this 28th day of February, 2014.

Christine Michals
Duly Authorized Signatory

Subscribed and sworn before me by Christine Michals on this 28th day of February, 2014.

Kathleen Sulikowski
Notary Public for the state of IO-22-15

