

# **State of New Hampshire Insurance Department**

**In Re: Anthem Life Insurance Company**

**09-053-EP**

## **CONSENT ORDER**

To resolve the above-referenced matter, the New Hampshire Insurance Department (“NHID”) and Anthem Life Insurance Company (“Anthem Life”) enter into this Consent Order, the terms of which are as follows:

1. In the fall of 2006 Anthem Life bid on, and was awarded a contract for life insurance benefits sponsored by the State of New Hampshire (“State”).
2. Prior to the State’s award of the contract to Anthem Life, Davis & Towle Insurance Group (“Davis & Towle”) had for many years acted, in effect, as the administrator for the State with respect to the term life insurance program that the State provided to its employees.
3. Although an exhibit to the contract between the State and Anthem Life allowed Anthem Life to provide certain information to Davis & Towle, the exhibit did not authorize Anthem Life to disclose any nonpublic personal *health* information to Davis & Towle.

4. The NHID alleges that on 363 discrete occasions, Anthem Life nevertheless provided Davis & Towle with the nonpublic personal health information of certain State employees, and, moreover, that Anthem Life executed these 363 disclosures without first obtaining from the affected employees written authorizations permitting Anthem Life to disclose the confidential information.

5. The NHID alleges that by disclosing the nonpublic personal health information of certain State employees to Davis & Towle without first obtaining written authorizations, Anthem Life violated Ins 3005.01.

6. Anthem life expressly denies any wrongdoing alleged by the NHID or any other violation of New Hampshire statutes, rules, regulations or orders of the Commissioner, and does not admit or concede any actual or potential violation, fault, wrongdoing, or liability in connection with any facts or the claims which have been or could have been alleged against it by the NHID; and

7. The NHID and Anthem Life wish to enter into this Consent Order to resolve all issues related to the above-captioned investigation.

WHEREFORE, upon consent of the NHID and Anthem Life, it is hereby agreed and ordered:

A. The foregoing recitals are hereby adopted, incorporated and made a part of this Consent Order.

B. For the purpose of resolving all alleged violations regarding the disclosure of nonpublic personal health information of State employees:

- a. Anthem Life agrees to make a cash payment to the NHID in the amount of \$250,000 in final settlement of the allegations described in this Consent Order. Payment in full of said amount shall be made no later than thirty (30) days following the effective date of this Consent Order. However, if Anthem Life demonstrates compliance with the conditions set forth below in Paragraph B.c., then \$100,000 of the cash payment will be suspended, bringing the total cash payment due to \$150,000.
- b. Anthem Life agrees to forever refrain from transmitting to Davis & Towle, or any other person or legal entity, the nonpublic personal health information of any State employee unless Anthem Life first obtains from the affected employee a written authorization expressly permitting Anthem Life to disclose the confidential information;
- c. Anthem Life agrees to make such operational arrangements as are necessary to ensure that all nonpublic personal health information of State employees that was disclosed to Davis & Towle without first obtaining the requisite written authorization be identified and retrieved and/or destroyed by Anthem Life. Anthem further agrees to provide a written report to the NHID within sixty (60) of the date of this Consent Order confirming that all of the nonpublic personal health information of State employees that it disclosed to Anthem Life has been retrieved or destroyed, setting forth with particularity the procedures that Anthem Life implemented to assure the information's identification, retrieval and/or destruction;

C. This Consent Order shall be final and non-appealable.

D. By entering into this Consent Order, the NHID and Anthem Life intend to resolve all matters disclosed in the above-captioned investigation, including the alleged violations and any other claim of violation, or potential violation, made or which could have been made by the NHID prior to the effective date of this Consent Order. This Consent Order shall be deemed a complete settlement and full and final resolution, and is in lieu of any disciplinary, legal, regulatory, or enforcement actions that could have been brought by the NHID relating to all matters disclosed in the above-captioned investigation prior to the effective date of this Consent Order. Provided however, notwithstanding the foregoing, the NHID may take any and all appropriate actions should Anthem Life in the future violate any provision of the State's insurance laws.

E. This Consent Order shall be binding on the NHID and Anthem Life, and their legal representatives, successors and assigns. Nothing in this Consent Order shall confer rights upon any person or entities other than the NHID and Anthem Life. This Consent Order sets forth the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements, arrangements, understandings (whether written or parol) between the NHID and Anthem Life. No modification or amendment of this Consent Order shall be of any force or effect unless in writing executed by both the NHID and Anthem Life.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of this 22<sup>nd</sup> day of June, 2009.

ANTHEM LIFE INSURANCE COMPANY

By: Nicholas Brecker  
Name: Nicholas Brecker  
Title: President, Life & Disability

I, Nicholas Brecker, hereby affirm that I am the President of Anthem Life Insurance Company and have authority to execute this Agreement on behalf of the Anthem Life Insurance Company.

AGREED AND ORDERED this 2<sup>nd</sup> day of July, 2009.

Roger A. Sevigny  
Roger A. Sevigny, Commissioner  
New Hampshire Insurance Department