



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

VIA ELECTRONIC MAIL

May 16, 2023

Mr. Kevin Counihan, President
c/o Ashlee Knuckey
Celtic Insurance Company
200 East Randolph Street, Suite 3600
Chicago, IL. 60601

Re: Celtic Insurance Company, NAIC 80799
Market Conduct Examination Report Closing Letter

Dear Mr. Counihan:

The Department has received your Company's proof of compliance. Therefore, the Department is closing its file on this exam.

I intend to ask the Director to make the Examination Report and Stipulation and Consent Order available for public inspection as authorized by 215 ILCS 5/132. At the Department's discretion, specific content of the report may be subject to redaction for private, personal, or trade secret information prior to making the report public. However, any redacted information will be made available to other regulators upon request.

Please contact me if you have any questions.

Sincerely,

Erica Weyhenmeyer
Chief Market Conduct Examiner
Illinois Department of Insurance
320 West Washington St., 5th Floor
Springfield, IL 62767
Phone: 217-782-1790
E-mail: Erica.Weyhenmeyer@Illinois.gov

Illinois Department of Insurance
Market Conduct Review
Celtic Insurance Company, NAIC, #80799

A targeted market conduct review of Celtic Insurance Company (“The Company” or “Celtic”) was performed to determine compliance with Illinois statutes and the Illinois Administrative Code. This review was conducted as a result of a self-reported coding error affecting the Celtic provider directory and their consumer oriented self-identified “Ambetter Guide” during the 2023 Affordable Care Act (“ACA”) open enrollment and the beginning of the 2023 plan year. The communication was first received on December 22, 2022.

The Illinois Department of Insurance (“Department”) performed a supplemental review of the Company’s communication and provider directories. The Company identified on two separate occasions a coding error occurred where the same list of out of network hospitals/facilities was included in the provider directory and the “Ambetter Guide.”

The Department engaged in communication with the Company to validate the network data that the Company reported. The first incident, reported to the Department on December 22, 2022, had occurred from November 18, 2022, to November 23, 2022. On December 22, 2022, the Department requested the Company provide the Department with a full list of affected hospitals/facilities. The Company provided a corrective action plan to notify consumers and provide support.

On January 20, 2023, the Company communicated the error had occurred a second time from December 29, 2022, to January 6, 2023. As a result, on January 24, 2023, the Department requested the Company provide the number of affected enrollees, identify the affected counties, and confirm whether the error affected both on and off exchange business.

The first incident affected 984 policyholders. The second incident affected an additional 1,259 policyholders. The hospital/facility list provided by the Company on February 1, 2023, includes ninety-three (93) unique hospitals in nine (9) counties including Cook, DuPage, Henry, Kane, Kankakee, Kendall, Lake, Madison, and Saint Clair.

Open enrollment for 2023 plans began on November 1, 2022, running through January 15, 2023. Based on the events above, plans were sold and solicited to consumers with inaccurate directory information.

As a result of conducting this review, the Department found the Company to be in repeated violation of the following:

1. 215 ILCS 124/25- Inaccurate provider directory for network transparency, and
2. 215 ILCS 125/4-7, 50 Ill. Adm. Code 4521.100- Inaccurate and untrue marketing and advertising materials.

As of the January 20, 2023, communication from the Company, the error had been corrected. The Company has put in place a dedicated customer service number to help consumers navigate this issue. Additionally, the Company will voluntarily allow its members impacted by the second incident, and those impacted by the first incident who received erroneous communications, to continue to utilize providers that were erroneously designated as in-network at in-network rates through December 31, 2023. The Company has also made these impacted members eligible for a Special Enrollment Period should they wish to use it. All information outlined above was reviewed and provided via discussion between the Company and the Illinois Department of Insurance. All information above is true and correct in its entirety.

Erica Weyhenmeyer, CPCU, AIE, MCM, PIR
Chief Market Conduct Examiner
Illinois Department of Insurance

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF:

CELTIC INSURANCE COMPANY
200 EAST RANDOLPH STREET, SUITE 3600
CHICAGO, IL 60601

STIPULATION AND CONSENT ORDER

WHEREAS, the Director of the Illinois Department of Insurance (“Department”) is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Celtic Insurance Company (“the Company”), NAIC 80799, is authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Review of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, and 5/425); and

WHEREAS, as a result of the Market Conduct Review, the Department examiner filed a Market Conduct Review Report, which is an official document of the Department; and

WHEREAS, the Market Conduct Review Report cited various areas in which the Company was not in compliance with the Network Adequacy and Transparency Act (215 ILCS 124/1 *et seq.*), the Health Maintenance Organization Act (215 ILCS 125/1-1 *et seq.*), and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands their various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 403A, 407, and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, they waive any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS AGREED by and between the Company and the Director as follows:

1. The Market Conduct Review indicated various areas in which the Company was not in compliance with provisions of the Illinois Network Adequacy and Transparency Act and Department Regulations; and
2. The Director and the Company consent to this Order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Network Adequacy and Transparency Act and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Institute and maintain policies and procedures whereby the Company shall post an up-to-date, accurate, and complete provider directory as required by 215 ILCS 124/25.
2. Institute and maintain policies and procedures whereby the Company shall use accurate information when solicitating enrollees for coverage as required by 215 ILCS 125/4-7, as well as 50 Ill. Adm. Code 4521.100.
3. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above two (2) orders within 30 days of execution of this Order.
4. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$99,000.00 to be paid within 10 days of execution of this Order.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code including, but not limited to, levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of CELTIC INSURANCE COMPANY

[Handwritten Signature]
Signature

KEVIN J. COUCHMAN
Name

CEO
Title

Subscribed and sworn to before me this
11th day of April 2023.

Michelle Fitzpatrick
Notary Public



DEPARTMENT OF INSURANCE
of the State of Illinois:

[Handwritten Signature] Digitally signed by Dana Popish Severinghaus
Date: 2023.04.14 13:31:26 -05'00'

Date: _____

Dana Popish Severinghaus
Director

