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 Illinois Administrative Code as it relates to an inquiry received by the Department. The inquiry alleged that a new Marketplace carrier, Celtic was inappropriately approved to participate in the Marketplace. The inquiry was received on November 19, 2020.

The Department performed a supplemental review of the Company filings and applicable network data provided by the Company to the Department specific to McHenry County. This included accessing the Company's online provider directory specific to hospitals in McHenry County. Based upon the review, the Department identified a facility which was classified as a "General Acute Hospital" when in actuality it was a behavioral health facility.

The Department began to engage in communications with the Company in an effort to validate the network data submitted to the Department specific to McHenry County to ensure data integrity. Subsequently, on December 4, 2020, the Department requested the Company provide the Department with a full listing of available in-network facilities and providers for all rating areas within Illinois in which Celtic was offering plans for plan year 2021.

The Company provided the requested network information specific to McHenry County on December 4, 2020, demonstrating that the Company did not have a contracted General Acute Hospital within McHenry County contrary to the data the Department received and utilized in its review and approval of the network in McHenry County. Additionally, the Company disclosed the classification of "General Acute Hospital" displaying on both their on-line provider directory and network data initially submitted to the Department was incorrect.

Open enrollment for 2021 plans began on November 1, 2020 running through December 15, 2020. Based on the events above, plans were sold and marketed to consumers in McHenry County inaccurately stating that the Company had a General Acute Hospital contract in place.

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

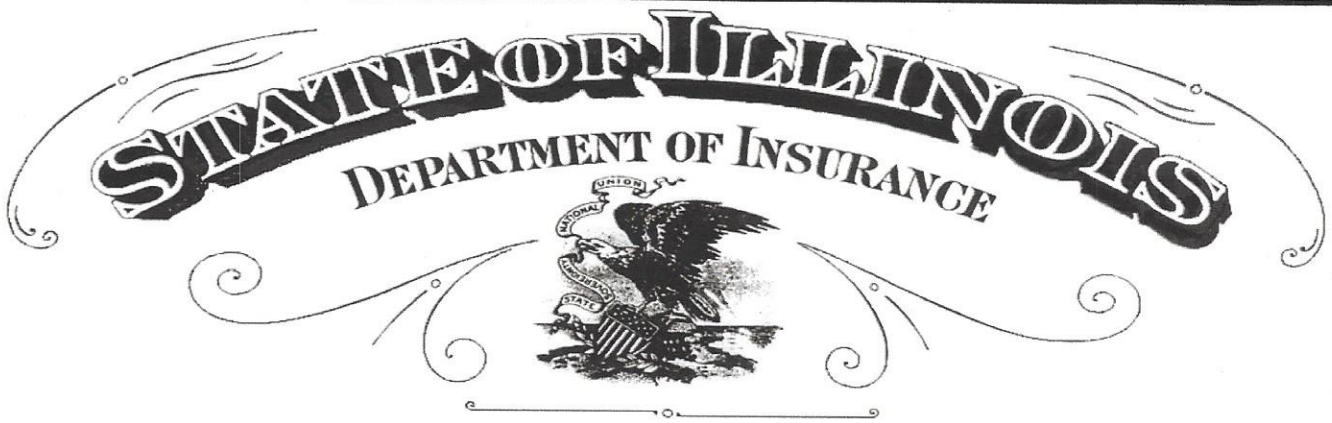
1. 215 ILCS 124/10 - Inaccurate network adequacy filing,
2. 215 ILCS 124/25 - Inaccurate provider directory for network transparency, and
3. 215 ILCS 5/149, 125/4-7, 50 Ill. Adm. Code 2002.60 and 4521.100 - Inaccurate and untrue marketing and advertising materials.

As of January 6, 2021, Celtic Insurance Company advised a contract is now in place with a General Acute Hospital as of January 5, 2021 to take effect retroactively on January 1, 2021. Proof of contract has been provided to the Department. Subsequently Celtic provided data to the Department indicating that the total number of affected enrollees in McHenry County was 913. As a result of the lack of a network hospital in McHenry County, 35 enrollees would have needed to travel more than 30 minutes or 30 miles to access a network hospital.

All information as 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

Erica Weyhenmeyer, MCM, APIR
Assistant Deputy Director & Chief Market Conduct Examiner
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 Illinois Insurance Code (215 ILCS 5/1 *et seq.*), 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, 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.

WHEREAS, the Company executed a contract with a General Acute Hospital in McHenry County on January 5, 2021 to retroactively take effect on January 1, 2021, proof of execution was provided to the Department.

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 Insurance Code 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 Insurance Code 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 file with the Department accurate network adequacy plans utilizing outlined standards for consumer access to physicians and facilities as required by 215 ILCS 124/10.

2. Institute and maintain policies and procedures whereby the Company shall accurately report and post an up-to-date, accurate, and complete provider directory as required by 215 ILCS 124/25.

3. Institute and maintain policies and procedures whereby the Company shall use advertising which is accurate and not untrue as required by 215 ILCS 5/149 and 125/4-7, as well as 50 Ill. Adm. Code 2002.60 and 4521.100.

4. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above three (3) orders within 30 days of execution of this Order.

5. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of $43,000.00 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

Signature

James Kiamos

Name

Plan President & CEO

Title

Subscribed and sworn to before me this
12 day of February 2021.

Milagros Roman

Notary Public

Notary Public State of Florida
Milagros Roman
My Commission GG 192266
Expires 03/05/2022

DEPARTMENT OF INSURANCE
of the State of Illinois:

February 16, 2021

Date:

Dana Popish Severinghaus

Dana Popish Severinghaus
Acting Director