

MAR 10 2022

FILED

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

STATE OF NEBRASKA	)	
DEPARTMENT OF INSURANCE.	)	
	)	
PETITIONER,	)	CONSENT ORDER
	)	
VS.	)	
	)	
TRANSAMERICA LIFE	)	CAUSE NO. C-2749
INSURANCE COMPANY,	)	
	)	
RESPONDENT.	)	

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its representative, Michael W. Anderson, and Transamerica Life Insurance Company, ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §44-101.01, §44-303 and §44-4047, et seq.
2. Respondent was licensed as an insurer under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Transamerica Life Insurance Company, Cause Number C-2749 on February 4, 2022. A copy of the petition was served upon the Respondent, at the Respondent's address registered with the Department by certified mail, return receipt requested.
2. The petition alleges that Respondent violated Neb. Rev. Stat. §§ 44-1540(3) and Title 210 NAC Ch. 61 §§ 004.01, 004.02, 008.04, as a result of the following conduct:

- a. The Department conducted an examination of Respondent covering the period of April 1, 2020 through March 31, 2021 (“The exam period”), specifically to determine compliance with the applicable Long-Term Care Nebraska statutes, Nebraska Department of Insurance regulations, and bulletins issued by the Nebraska Department of Insurance.
- b. As a result of this examination, the following areas were determined to have actionable violations:
  - a. Operations and Management
    - i. Respondent provided erroneous data for two data fields requested by the Department on Long-Term Care Claims data call sheets.
  - b. Claims/Appeals Handling Practices
    - i. Out of 75 claims in the exam period, 25 files were reviewed, and 6 were found to have errors, resulting in an error rate of 24%.
    - ii. The following errors were discovered in the reviewed files, which indicate the following violations of Nebraska statutes and Title 210, Chapter 61:
      1. Failure to request additional proofs of loss, including:
        - a. Failing to request invoices for 34 days of the claimant’s benefits.
        - b. Lack of adequate communication and follow-up to request invoices.

- c. Not requesting itemized billing statements from one provider, due to confusion caused by multiple providers on the same claim.
- 2. Incorrect remark codes in explanation of benefits (“EOBs”) resulting in nonpayment of claims:
  - a. EOB dated 8/31/2020 referenced an incorrect remark code, and claimant was not advised that Respondent required billing statements to consider benefits.
  - b. EOB dated 12/31/20 referenced an incorrect remark code and benefits for the period of 9/1/2020 through 9/30/2020 were overlooked and not paid.
- 3. Failing to provide a reasonable explanation of the computation of benefits, as follows:
  - a. EOB forms dated 11/18/2020 and 3/4/2021, failed to provide a reasonable explanation of the computation of Alternative Home Health Care Benefits.
- 4. Failure to timely process Waiver of Premium, as follows:
  - a. Respondent failed to process a Waiver of Premium refund covering the dates of May 27,

2019 through April 27, 2020, resulting in the premium refund not being paid until May of 2020.

3. Respondent was informed of the right to a public hearing. Respondent waives that right and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving its right to a public hearing, Respondent also waives its right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits certain allegations contained in the Petition and restated in Paragraph #2 above.

#### CONCLUSIONS OF LAW

The conduct of Transamerica Life Insurance Company, as alleged above, constitutes multiple violations of Neb. Rev. Stat. §§ 44-1540(3) and Title 210 NAC Ch. 61 §§ 004.01, 004.02, 008.04.

#### CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, that Respondent shall pay an administrative fine in the amount of twenty-five thousand dollars (\$25,000). The Respondent has thirty (30) days from the date of approval of this consent order by the Nebraska Director of Insurance to pay the fine. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Department to make application for such further orders as may be necessary.

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signatures below.



Michael W. Anderson, #67618  
Department of Insurance  
1526 "K" Street, Suite 200  
Lincoln, Nebraska 68509  
(402) 471-4649

3/10/22

Date



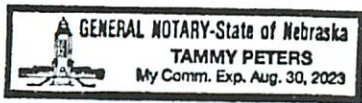
Ann Frohman, Counsel

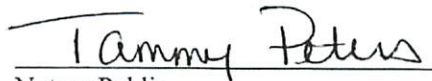
March 10, 2022

Date

State of Nebraska \_\_\_\_\_ )  
County of Lancaster \_\_\_\_\_ ) ss.

On this 10 day of March, Ann Frohman, Counsel to Transamerica Life Insurance Company in this action, personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be their voluntary act and deed.

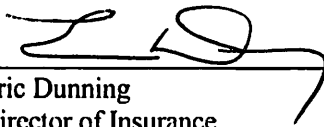


  
Notary Public

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Transamerica Life Insurance Company, Cause No. C-2749.

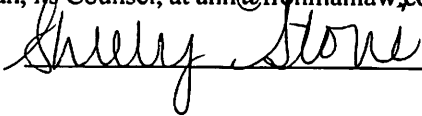
STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

  
Eric Dunning  
Director of Insurance

3/10/22  
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent at 6400 C Street, Cedar Rapids, Iowa, 52499, by certified mail, return receipt requested on this 10<sup>th</sup> day of March, 2022, with a copy emailed to Ann Frohman, its Counsel, at [ann@frohmanlaw.com](mailto:ann@frohmanlaw.com).

  
Shelly Stone