

## EXECUTIVE SUMMARY

The Kansas Department of Insurance (“KID” or “Department”) performed a market conduct examination of United Wisconsin Life Insurance Company (“UWLIC” or the “Company”). The examination was conducted by reviewing Company manuals, provider contracts, claims, underwriting files of large groups and small groups, emergency room claims, grievance procedures, and holding a series of meetings with UWLIC staff that focused on current operations. To supplement and verify the understanding of the examiner, a series of samples were selected for review.

UWLIC passed most tests and, in terms of delivering good service to its subscribers, the examiner was impressed with the overall positive service provided to the members by UWLIC staff and management. The examiner has made recommendations on several issues. Where deficiencies have been identified, corrective action should remedy the problems identified.

The examiner reviewed the UWLIC’s preferred provider organization Provider Contracts. The agreement provides Physician Agreements and Obligations, Plan Agreements and Obligations, Plan's Payment for Physician Services, Utilization Review and Quality Assurance Program, Records, Mutual Obligations, and Term and Termination.

The examiner reviewed a sample of Emergency Room (“ER”) claims. The ER claims were reviewed for timeliness of processing and whether the definition of Emergency treatment was consistent in determining whether an ER claim should be paid or denied. A sampling of the medical claims were also reviewed to determine if the claims were reviewed in a timely manner for processing, number of suspended claims, and accuracy of the claims processed according to policy language utilized by the different member groups. The examiner determined that UWLIC appears to handle claims consistently in terms of the content, the organization, and the decisions made, whether the claim was submitted on paper or electronically.

UWLIC has a formal procedure for auditing participating providers and participating hospitals to assure that providers and hospitals do not seek or secure payments from the members in violation of statutory and contractual requirements.

UWLIC has language in all the Provider Contracts, in the Hospital, and Ancillary Agreements addressing the grievance and appeal process.

UWLIC has a Network Security Policy to assure protection of UWLIC information handled by computer networks. UWLIC is constantly reviewing the status of UWLIC computers and network security systems.

UWLIC has a Disaster Recovery Plan that is periodically reviewed, updated and tested.

## LIST OF RECOMMENDATIONS

## **Agent Licensing**

**Recommendation 1.** All agents/brokers or agencies must have a company appointment per K.S.A. 40-241i.

**Recommendation 2.** If appointing an agency with multiple locations branch office, each branch must be appointed as a separate entity and such agencies and agents must be licensed by the Kansas Insurance Department. KSA 40-240 (b).

## **Underwriting/Forms**

**Recommendation 1.** UWLIC should move forward as soon as possible to correct the display problem with its system so the correct revision date is displayed on its database to avoid the possibility of someone misreading a form/rider and providing incorrect information to a customer.

## **Underwriting /Rating**

**Recommendation 1** UWLIC should make sure that the rate package submitted to KID for approval is complete and that they use only those rates approved by the department. KSA 40-2215.