Commissioner Holland Fines Humana $500,000 for Unlicensed Insurance Sales to Oklahoma Seniors

OKLAHOMA CITY – Oklahoma Insurance Commissioner Kim Holland announced that Humana Insurance Company has paid a $500,000 fine for using unlicensed agents to sell Medicare Advantage and prescription drug plans to Oklahoma seniors. Humana did not contest the allegations and agreed to the amount of the fine.

“We license insurance agents to make sure they are trustworthy, educated and tested. Insurance companies may only accept business from agents who have achieved those standards of professionalism,” Holland said. “Oklahoma seniors have the right to expect an insurance company and its agents to follow the law.”

The fine levied against Humana is part of a larger struggle between state insurance departments and the country’s Medicare health insurers – determining where state regulation ends and federal regulation begins. Holland twice testified before Congress urging a greater role for state regulators over the marketing and sales practices of Medicare advantage plans.

In her testimony, Holland documented numerous consumer complaints logged by the Oklahoma Insurance Department detailing, in some cases, misleading marketing practices and misrepresentations during the sale of many Medicare plans. Holland also testified that the oversight of Medicare Advantage plans by the Centers for Medicare and Medicaid Services was not adequate and responses to unlawful activities were frequently too slow.

“Seniors are one of the largest and fastest-growing segments of the population and also one of the most vulnerable,” said Holland. “I will continue to do everything in my power to see that individuals and organizations who abuse the trust of seniors – intentionally or unintentionally – are held accountable.”
As a result of the testimony of Holland and others, several major providers of Medicare Advantage plans voluntarily stopped marketing the plans until problems cited were resolved. In addition, CMS opened a Special Enrollment Period to enable seniors who had joined a Medicare Advantage plan under false or misleading circumstances to disenroll from their plans.

ABOUT THE OKLAHOMA INSURANCE DEPARTMENT
The Oklahoma Insurance Department, an agency of the State of Oklahoma, is responsible for the education and protection of the insurance-buying public and for oversight of the insurance industry in the state.

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