

No. 2017- 5029

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: APR 06 2017

Subject Considered:

FEDERATED MUTUAL INSURANCE COMPANY
P.O. Box 328
Owatonna, MN 55060

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 12366

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Federated Mutual Insurance Company (FMIC).

WAIVER

FMIC acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. FMIC waives all of these rights and any other applicable procedural rights in consideration of the entry of this consent order.

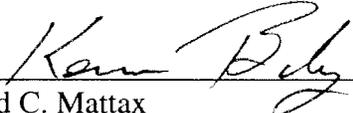
FINDINGS OF FACT

1. TDI issued FMIC fire and casualty license number 29005, effective January 1, 1918. FMIC is authorized to write health insurance.
2. The National Committee for Quality Assurance credentialing standards requires an organization to recredential practitioners every three years to confirm the status of the practitioner's license.
3. During the course of reviewing the annual network filings submitted by FMIC, TDI found multiple credentialing deficiencies.
4. FMIC submitted updated credentialing data and has represented to TDI that procedures have been implemented to ensure accurate credentialing.

CONCLUSIONS OF LAW

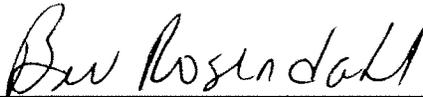
1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002, 82.051-82.055, 84.021-84.022, and 1301.0055; 28 TEX. ADMIN. CODE § 3.3706(c); and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to informally dispose of this matter as set forth under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
3. FMIC violated TEX. INS. CODE § 28 TEX. ADMIN. CODE § 3.3706(c) because it failed to meet the credentialing standards promulgated by the National Committee for Quality Assurance and adopted by TDI by failing to conduct due diligence on the status of Cigna Health and Life Insurances' network regarding provider credentialing.

The commissioner orders Federated Mutual Insurance Company to pay an administrative penalty of \$30,000, within 30 days from the date of this order. The administrative penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



David C. Mattax
Commissioner of Insurance
By: Kevin Brady, Deputy Commissioner
Delegation Order 4506

Approved as to Form and Content:



Bev Rosendahl, Staff Attorney
Enforcement Section
Texas Department of Insurance

