

JOHN F. KING Commissioner of Insurance and Safety Fire

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NEWS RELEASE

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GEORGIA INSURANCE COMMISSIONER'S OFFICE FINES ANTHEM BLUE CROSS BLUE SHIELD \$5 MILLION

Market Conduct Examination Leads to Largest Fine in Agency History

ATLANTA – Insurance and Safety Fire Commissioner John F. King announced today a \$5 million fine against Blue Cross Blue Shield as the result of a months-long Market Conduction Examination into <u>violations of state laws and Agency rules and regulations</u> by the insurance carrier. Furthermore, Blue Cross Blue Shield may be subject to additional significant fines if the carrier misses certain benchmarks in the corrective action plan agreed to between the Agency and the carrier.

"As Georgia's Insurance Commissioner, my number one priority is protecting Georgia consumers," said Commissioner King. "To that end, after numerous complaints made to our office regarding the operations of Blue Cross Blue Shield from individuals, physicians, hospitals, and others from around the state, I instructed my staff to conduct an extensive examination into the carrier's practices."

"This examination uncovered a number of serious issues, including improper claims settlement practices, violations of the Prompt Pay Act, failure to reply to consumer complaints in a timely manner, inaccurate provider directories, and significant delays in loading provider contracts," continued King. "As a result, our office has issued the largest fine in Agency history, with potential additional penalties if certain benchmarks are not reached."

To avoid additional penalties, Blue Cross Blue Shield must develop a new process for handling regulatory provider complaints, pay claims within the timeframes established under state law, and load provider contracts in a timely manner.

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The mission of the Office Commissioner of Insurance and Safety Fire is to protect Georgia families by providing access to vital insurance products and safe buildings through fair regulation that creates economic opportunities for all Georgians.