



DEPARTMENT OF
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NEWS RELEASE

Insurance Division, 350 Winter St. NE, Room 440, Salem, OR 97301-3883

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State fines PacifiCare \$34,000 for claims handling violations

Company denied health insurance claims without investigating them

SALEM — The Oregon Department of Consumer and Business Services (DCBS) has fined PacifiCare of Oregon, Inc. \$34,000 for rejecting insurance claims without conducting a reasonable investigation and other violations of the state Insurance Code.

After receiving a complaint from a consumer whose health insurance claim wasn't paid, the DCBS Insurance Division asked PacifiCare to review similar claims. As a result, PacifiCare reviewed 840 claims it had denied from June 2004 to April 2007. It determined 234 of the claims were valid and paid those claims plus interest.

PacifiCare also was cited for failing to acknowledge and act promptly on claim communications, and not responding to inquiries from the DCBS director in a timely manner.

"Insurers can't refuse to pay claims without conducting a reasonable investigation," said DCBS Director Cory Streisinger, "and that's what happened in this case. Oregonians deserve to get the full coverage they have paid for."

PacifiCare has been licensed in Oregon as a health care service contractor since 1987. Its Oregon headquarters are in Lake Oswego.

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NOTE TO EDITORS AND NEWS DIRECTORS: Enforcement orders are available on the Insurance Division's Web site: www.insurance.oregon.gov. Click on Orders.

The Insurance Division, part of the Department of Consumer and Business Services, helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products. For more information, go to www.insurance.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.