

Neidig is new DCBS director, insurance commissioner

Oregon Governor John Kitzhaber has appointed **Mary Neidig** director of the Department of Consumer and Business Services (DCBS). The DCBS director also is the state insurance commissioner.

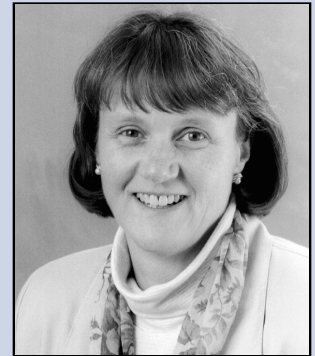
Neidig has been administrator of the Workers' Compensation Division in DCBS since 1996. She replaces **Mike Greenfield**, who was named director of the Oregon Department of Administrative Services.

As DCBS director, Neidig will oversee the state's largest regulatory and consumer protection agency. DCBS regulates insurance, financial institutions, securities, building codes, occupational safety and health, workers' compensation and real estate appraisers. It has consumer protection and education programs, and offices and ombudsmen to help consumers, injured workers and businesses.

The department has 1,140 employees and a biennial budget of approximately \$500 million.

As administrator of the Workers' Compensation Division, Neidig was responsible for the administration and enforcement of the workers' compensation law. The division oversees 130 active private insurers, the SAIF Corporation, 90,000 employers and 174 self-insured employees and self-insured groups.

Neidig served as the chair of the Workers' Compensation Board from 1991 to 1996 and also has worked as a human resource manager for various wood products companies. She graduated from the University of Oregon in 1978 with a bachelor of arts in business management.



"DCBS has an important role to play for consumers, businesses and employees in Oregon. We have very talented staff and leaders within the department."

Mary Neidig

Joel Ario named deputy commissioner, division administrator

Oregon Department of Consumer & Business Services (DCBS) Director **Mary Neidig** has appointed **Joel Ario** deputy insurance commissioner and administrator of the Insurance Division, effective May 1. Neidig, as DCBS director, is the state insurance commissioner.

Ario replaces **Nancy Ellison**, who resigned in December to become deputy secretary of the Washington Department of Health.

Ario has managed the Insurance Division's Consumer Protection Section since July 1995. The section resolves complaints against insurers and agents, investigates violations of the Insurance Code, performs market conduct exams, produces consumer publications, and serves as an advocate for consumer interests.



Joel Ario

Before joining the Insurance Division, Ario was executive policy assistant to the DCBS director from April 1994 to July 1995. He also was an executive manager and public policy analyst for public interest groups for 13 years.

Ario has served on the boards of the Consumer Federation of America and other nonprofit organizations. He is a 1981 graduate of Harvard Law School and a 1975 graduate of Saint Olaf College in Northfield, Minnesota.

"Joel combines excellent credentials as a consumer advocate and an insightful policy analyst with a solid management background and understanding of the insurance industry in Oregon," Neidig said. "He appreciates the needs of both the insurance-buying public and the companies and agents that serve them, and he knows what it takes to play a constructive role as a regulator in the marketplace."

The Insurance Division regulates insurance companies and agents doing business in Oregon to make certain consumers are treated fairly and have access to affordable insurance products and services within a healthy insurance marketplace.

Producer licensing, continuing ed changes explained

By Margarita Nuñez

The Insurance Division recently implemented several administrative rule changes affecting producer licensing:

- Effective Jan. 1, 2000, license application fees for agents, adjusters and insurance consultants were reduced from \$45 to \$30.
- A separate \$45 license fee was established.
- Initial licenses are issued for two years instead of one.
- Agents obtaining their first license on or after Jan. 1, 2000, will need to complete 22 hours of continuing education courses per year for the first six years. After the sixth year, agents will owe 12 hours per year or 24 hours at renewal. In addition, these agents will be required to complete three hours of law and two hours of ethics at their first renewal.
- Agents licensed prior to Jan. 1, 2000, will continue to submit 24 continuing education hours per year for the first five years and 12 hours per year thereafter.

Continuing education requirements clarified

We have received several requests for clarification regarding what courses meet an agent's professional needs. Beginning in June 1997, agents no longer needed to take a percentage of courses in the lines in which they were licensed. Instead, agents are required to take courses that meet their professional needs.

The purpose of this rule change was to allow agents to take approved continuing education course subjects that were outside their license classes. The rationale was that knowledge in all areas of insurance is of value to the agent and the consumer.

Agents have asked if they could take all of their continuing education hours in lines for which they aren't licensed. Our general policy has been to grant approval. However, such requests raise the question: Is the agent transacting insurance in that line and should he or she be licensed for that class? Generally, we have found that the majority of courses are taken in

the lines licensed. In those rare instances in which an agent takes all CE courses outside his or her lines, we will ask for an explanation of how the courses meet the agent's professional needs.

Division can grant "consent" to work in insurance

The Insurance Division recently received clarification on its authority under the federal Violent Crime Control and Law Enforcement Act of 1994. The law prohibits an individual convicted of a felony involving dishonesty or breach of trust from engaging in the insurance business or participating in insurance activities that affect interstate commerce. A "prohibited person" can apply to the appropriate state insurance commissioner for "written consent" to work in the insurance business.

Temporary rules were adopted March 15, 2000, allowing the Insurance Division to issue the required written consent only to licensed individuals. A statutory change will be necessary before written consent can be given to unlicensed persons working in the insurance business.

The rules detail a rigorous evaluation procedure. An applicant will be required to submit extensive information about his or her personal and employment history. The rules also spell out standards the director of the Department of Consumer & Business Services (DCBS) will consider in evaluating an application.

Oregon's procedures are based on guidelines from the National Association of Insurance Commissioners (NAIC). A form to apply for written consent should be available in June.

License gets a new look

The agent license form has a new look. Information is printed directly on the license instead of by using carbons. This should eliminate the problem we have had with illegible licenses. Also, the size of the license has been reduced.

Margarita Nuñez is manager of the Agent Licensing Unit.

Con artists use insurance agents to sell scam investments

Make 7, 8, 9 or even 10 percent commission! Sell an investment that's guaranteed or insured! No securities license required! The opportunity of a lifetime!

"If you receive such an offer, don't believe it," says **Anthony Behrens** of the Oregon Division of Finance and Corporate Securities (DFCS). "More and more shysters and con artists are using insurance agents to market, promote and sell their scam investments. If it sounds too good to be true, it usually is."

DFCS has several active cases involving the sale of promissory notes by insurance agents. The latest fad among rip-off artists seems to be the nine-month corporate promissory note. These notes are touted as commercial paper that is exempt from securities laws.

"Nothing could be further from the truth," says Behrens, explaining that the commercial paper exemption applies only to high grade, highly liquid negotiable paper. According to Behrens, such investments are almost always bought and sold by large institu-

tions and are rarely, if ever, sold to the general public.

What could happen if you sell a nonexempt, unregistered security or sell a security without a license? You could be convicted of a class B felony, serve up to 10 years in prison, and pay a \$200,000 fine for each violation. In addition, you could face administrative penalties, including fines of up to \$20,000 per violation and the loss of your insurance license.

Both criminal and administrative sanctions can be imposed even if you don't know that what you are selling is a security. Furthermore, these sanctions can be imposed even if your attorney tells you that what you are selling is not a security.

Contact DFCS, (503) 378-4140, if you have questions or receive an offer to sell promissory notes or other investments that sounds too good to be true.

"Remember, it only takes a minute to make a telephone call," Behrens says. "It's a minute that could save you and your clients a lot of trouble and a lot of money!"

DEPUTY COMMISSIONER'S COLUMN

Plenty of changes, challenges on the insurance horizon

Allow me to introduce myself. I'm Joel Ario, Oregon's new deputy insurance commissioner and the administrator of the Insurance Division.

Many of you may know me from my role as manager of the Insurance Division's Consumer Protection Section, which is responsible for consumer assistance and advocacy, enforcement, market conduct examinations, and the Senior Health Insurance Benefits Assistance (SHIBA) program.



As administrator of the Insurance Division, my responsibilities will broaden to include overseeing the division's company regulation, rates and forms, agent licensing, legislative, and administrative functions.

Former administrator Nancy Ellison left the division in good shape, so I'm not planning any major organizational changes. However, plenty of changes (and challenges) are on the insurance horizon thanks to federal financial modernization legislation, electronic commerce and other developments in the insurance marketplace.

The *Gramm-Leach-Bliley Act* will have a major impact by breaking down barriers among the banking, insurance and securities industries and establishing new responsibilities for federal and state regulators. Oregon and other members of the National Association of Insurance Commissioners (NAIC) have pledged to work together to implement the act. State laws that are inconsistent with federal laws or are otherwise unworkable will need to be eliminated or amended.

I'm also committed to using leading-edge information systems technology to enhance operational efficiency and effec-

tiveness, as well as to improve customer service to insurance companies, agents and consumers. We will increasingly utilize the World Wide Web to provide information to stakeholders. And, we will work to eliminate barriers that hamper full use of technology, such as statutes or rules that unfairly discriminate against electronic commerce.

A third major area of focus will be rising health care costs. Governor John Kitzhaber has asked the Insurance Division, other state agencies, industry groups and consumer representatives to work together to address health care affordability and availability issues.

Oregon has been a leader in ensuring that the rights of consumers are adequately protected in the health insurance marketplace. While keeping health care costs affordable will be our top priority, we also hope to find ways to enhance Oregon's *Patient Protection Act of 1997*.

My work in consumer protection has taught me that there is no single consumer perspective on issues, just as there is no single company or agent perspective. There are, in fact, complex webs of cross-cutting perspectives on most issues. My goal will be to listen carefully to all stakeholders and steer a path that furthers the department's mission of protecting consumers while promoting a positive business climate.

Joel Ario
Deputy Insurance Commissioner
Insurance Division Administrator

KEY CONTACTS

Oregon Insurance Division

Administration

Information (503) 947-7980
Fax (503) 378-4351
E-mail dcbs.inmail@state.or.us

Administrator Joel Ario
Deputy Admin. Charles Nicoloff

Admin. Services & Operations

Information (503) 947-7980
Manager Elaine Day

- **Agent Licensing** (503) 947-7981
Manager Margarita Nuñez

Consumer Protection

Information (503) 947-7984

- **Consumer Assist. ..** (503) 947-7240
Asst. Manager Larry Culbertson
- **Investigations** (503) 947-7219
Asst. Manager Cindy Jones

Company Regulation

Information (503) 947-7982
Manager Charles Nicoloff

Rates & Forms

Information (503) 947-7983
Manager Patrick Fitzgerald

- **Health** (503) 947-7985
Asst. Manager Maxi McKibben

- **Life/P & C** (503) 947-7983
Asst. Manager Donna Bleiler

Other agencies

Oregon Health Plan

1-800-359-9517

State Portability Option

Oregon Medical Insurance Pool
(Administered by Regence Blue Cross Blue Shield)
1-800-848-7280

COBRA/ERISA/HIPAA questions

U.S. Department of Labor
(206) 553-4244

Workers' Compensation Division

General information
(503) 947-7810

Oregon Government

Directory Assistance
(503) 378-6500

COMPANY ACTIONS

Sanctions

GuideOne Specialty Ins. Co.

West Des Moines, IA

Violation: Issued an auto liability policy providing uninsured motorist coverage limits lower than bodily injury liability coverage limits without having the insured sign and date a statement electing the lower coverage limits.

Penalty: \$1,000 fine

Date of order: Sept. 30, 1999

HomeSure of Utah, Inc.

Ft. Lauderdale, FL

Violation: Transacted insurance in Oregon without a certificate of authority.

Penalty: \$20,000 fine

Date of order: Dec. 21, 1999

Monumental Life Insurance Co.

Baltimore, MD

Violation: Used an unapproved policy form.

Penalty: \$20,000 fine

Date of order: Dec. 7, 1999

Nationwide Mutual Insurance Co.

Columbus, OH

Violations: Failed to obtain a driver exclusion statement from an insured. Refused to provide a premium quote because of driving record information more than three years old.

Penalty: \$10,000 fine.

Date of order: March 14, 2000

SAFECO Insurance Co. of Illinois

Seattle, WA

Violation: Failed to reply within 30 days

after receiving a communication from a claimant.

Penalty: \$2,000 fine

Date of order: March 6, 2000

United Pacific Insurance Co.

Philadelphia, PA

Violation: Failed to include a notice of appeal rights in a workers' compensation insurance final premium audit billing.

Penalty: \$5,000 fine

Date of order: Dec. 21, 1999

New Admissions - Insurers

American Equity Specialty Ins. Co.

Costa Mesa, CA • Sept. 9, 1999

Property, Casualty excl. WC, Marine and Transportation

2-10 HBW of Nevada, Inc., dba 2-10

Home Buyers Warranty

Las Vegas, NV • Feb. 24, 2000

Home Protection

Arag Insurance Co.

Des Moines, IA • Feb. 25, 2000

Casualty excl. WC

Casualty Reciprocal Exchange

Kansas City, MO • Aug. 30, 1999

Property, Casualty incl. WC

Commerce West Insurance Co.

Pleasanton, CA • March 23, 2000

Property, Casualty excl. WC

Constitution Insurance Co.

New York, NY • March 16, 2000

Property, Casualty incl. WC, Marine and Transportation, Surety, Health

Continental Divide Insurance Co.

Englewood, CO • March 20, 2000

Property, Casualty excl. WC, Marine and Transportation, Surety

Core Insurance Co.

Colchester, VT • Oct. 25, 1999

Property, Casualty excl. WC, Marine and Transportation, Surety

Deerfield Insurance Co.

Deerfield, IL • March 24, 2000

Property, Casualty excl. WC, Marine and Transportation

First American Home Buyers Protection Corp.

Van Nuys, CA • Nov. 19, 1999

Home Protection

Gateway Insurance Co.

St. Louis, MO • Sept. 8, 1999

Property, Casualty excl. WC

Great Midwest Insurance Co.

Byron Center, MI • Sept. 13, 1999

Property, Casualty incl. WC, Marine and Transportation, Health

Homesite Ins. Co. of the Midwest

Mandan, ND • Nov. 8, 1999

Property, Casualty excl. WC, Marine and Transportation

Independent Fire Insurance Co.

Jacksonville, FL • Jan. 11, 2000

Property, Casualty excl. WC, Marine and Transportation

Kelco, Inc., dba Kelco, Inc., A Corporation of Kentucky

Lexington, KY • March 21, 2000

Life Settlement

Mid-State Surety Corp.

Grosse Point Farms, MI • March 28, 2000
Surety

ODSHP Acquisition Sub, Inc.

Portland, OR • Oct. 8, 1999

HCSC-HMDI

Pharmacists Life Insurance Co. (The)

Algona, IA • Dec. 7, 1999

Life, Health

Pharmacists Mutual Insurance Co.

Algona, IA • Dec. 1, 1999

Property, Casualty incl. WC

Professionals Advocate Insurance Co.

Hunt Valley, MD • Nov. 16, 1999

Property, Casualty incl. WC, Marine and Transportation

Insurers fined for failing to follow filing rules

The following insurers were fined for failing to file annual statements by the due date:

- Albertina Kerr Centers, Portland, OR; \$100
- American Home Shield of Nevada, Inc., Santa Rosa, CA; \$100
- Asbury College, Wilmore, KY; \$100
- Calvert Insurance Co., Woodland Hills, CA; \$100
- Central Oregon Community College Foundation, Bend, OR; \$500
- Connecticut Surety Co., Hartford, CT; \$100
- Conservative Baptist Foundation, dba Mission Advance Foundation, Portland, OR; \$200
- Great States Insurance Co., San Francisco, CA; \$100
- HIH America Compensation and Liability Insurance Co., San Francisco, CA; \$200
- Jesuit High School, Portland, OR; \$100
- Navigators Insurance Co., New York, NY; \$700
- Simpson College, Redding, CA; \$250
- SureCare HealthPlans, Inc., Roseburg, OR; \$900
- Valley Insurance Co., Albany, OR; \$100

Continued on Page 5

COMPANY ACTIONS

Continued from Page 4

Reliant Insurance Co.

Troy, MI • Oct. 18, 1999
Property, Casualty incl. WC, marine and Transportation, Surety, Health

Royal Arcanum (Supreme Council of the)

Boston, MA • Jan. 18, 2000
Life, Health, Fraternal

Sagamore Insurance Co.

Indianapolis, IN • March 10, 2000
Property, Casualty incl. WC, Surety, Health

Starnet Insurance Co.

Wilmington, DE • Aug. 20, 1999
Property, Casualty incl. WC, Marine and Transportation, Surety, Health

Underwriters Indemnity Co.

Houston, TX • Dec. 7, 1999
Property, Casualty excl. WC, Marine and Transportation, Surety

Western Professional Insurance Co.

Seattle, WA • Jan. 10, 2000
Property, Casualty excl. WC, Marine and Transportation

Willamette Dental Insurance, Inc.

Beaverton, OR • Dec. 31, 1999
HCSC-HMDI

New Admissions - Nonprofits

Alzheimer's Disease and Related Disorders Assoc., Inc.

Dover, DE • March 23, 2000
Annuities

Ashland Comm. Hospital Foundation

Ashland, OR • Jan. 11, 2000
Annuities

Deseret Trust Co.

Salt Lake City, UT • March 22, 2000
Annuities

Focus on the Family

Colorado Springs, CO • April 6, 2000
Annuities

Luis Palau Evangelistic Assoc.

Beaverton, OR • Oct. 8, 1999
Annuities

National Psoriasis Foundation

Portland, OR • Jan. 10, 2000
Annuities

Oregon Food Bank, Inc.

Portland, OR • March 17, 2000
Annuities

Oregon Public Broadcasting

Portland, OR • Nov. 3, 1999
Annuities

Partners International

San Jose, CA • Feb. 25, 2000
Annuities

Surrenders of Authority

American Chambers Life Insurance Co.

Suspended • March 17, 2000

Commercial Fishermens Inter-Ins Exchange

Suspended • March 8, 2000

Employers Life Insurance Co. of Wausau

Merged into Nationwide Life Insurance Co. • Sept. 1, 1999

Family Life Broadcasting, Inc.

Voluntarily withdrew • Jan. 10, 2000

First Excess and Reinsurance Corp.

Merged into GE Reinsurance Corp. • Dec. 31, 1999

Forum Insurance Company

Merged into Colonial Penn Franklin Insurance Co. • July 30, 1999

Lamar Life Insurance Co.

Merged into Conseco Life Insurance Co. Dec. 31, 1998

Linn-Benton Community College Foundation, Inc.

Voluntarily withdrew • Sept. 14, 1999

Lincoln American Life Insurance Co.

Merged into National Fidelity Life Insurance Co. • Sept. 30, 1999

Lincoln Heritage Life Insurance Co.

Merged into Life of Boston Insurance Co. Nov. 30, 1999

Lone Star Life Insurance Co.

Merged into Reassure America Life Insurance Co. • July 1, 1999

MBL Life Assurance Corp.

Voluntarily withdrew • March 13, 2000

McPerson College

Voluntarily withdrew • March 23, 2000

Midwestern National Life Insurance Co. of Ohio

Merged into Standard Life Insurance Co. of Indiana • Dec. 31, 1998

Milbank Insurance Co.

Voluntarily withdrew • Jan. 10, 2000

Montgomery Ward Life Insurance Co.

Merged into Union Fidelity Life Insurance Co. • July 30, 1999

Reassure America Life Insurance Co.

Merged into Royal Maccabees Life Insurance Co. • Sept. 30, 1999

Revelation Life Insurance Co.

Merged into Lincoln Heritage Life Insurance Co. • Nov. 19, 1999

Superior National Insurance Co.

Suspended • March 17, 2000

The Signature Life Insurance Co. of America

Merged into Union Fidelity Life Insurance Co. • July 30, 1999

The Victory Life Insurance Co.

Voluntarily withdrew • Oct. 4, 1999

Willamette Health Services, Inc.

Merged into Willamette Dental Insurance, Inc. • Dec. 31, 1999

Oregon participates in effort to resolve insurance claims of Holocaust victims

Oregon is participating in a comprehensive international effort to resolve outstanding claims on insurance policies held by victims of the Holocaust.

The National Association of Insurance Commissioners (NAIC), in conjunction with several European insurance companies, European regulators, Jewish organizations, and the State of Israel, has established the International Commission on Holocaust Era Insurance Claims (ICHEIC).

The ICHEIC has set up a new process to make it easier to make a claim for families of those who are believed

to have held active dowry, education or life insurance policies that were affected by the Holocaust. There is no charge to file and it is not necessary to retain a lawyer. All claims must be filed by Feb. 1, 2002, and will be resolved within two years of filing.

The Oregon Insurance Division has received 10 claims so far, including two claims with copies of actual insurance contracts.

More information is available on the ICHEIC Web site at www.icheic.org or the Insurance Division's Web site at www.oregoninsurance.org.

PRODUCER ENFORCEMENT ACTIONS

William E. Barlow II and Barlow Insurance Agency, Inc.

McMinnville, OR

Violations: Withheld insurance refund checks. Made misrepresentations to policyholders. Misrepresented financial information to an insurer. Commingled personal funds with premiums. Failed to account for premiums received. Failed to deposit premiums or refunds in a trust account within seven days as required by law. Failed to notify the Insurance Division of affiliations and terminations.

Penalty: Licenses revoked; \$7,000 fine

Date of order: Nov. 4, 1999

Deborah A. Benton aka Deborah A. Pelikan

Gresham, OR

Violation: Knowingly made false or misleading statements on an agent license renewal application.

Penalty: \$1,000 fine

Date of order: Oct. 15, 1999

Lanette R. Byrd

Portland, OR

Violation: In default on a student loan.

Penalty: License suspended

Date of order: Jan. 11, 2000

Michelle M. Dentler

Portland, OR

Violation: In default on a student loan.

Penalty: License suspended

Date of order: Nov. 15, 1999

Brian K. Dusenberry and Fairway Insurance Agency

Woodburn, OR

Violations: Dusenberry transacted insurance without a license. Fairway transacted insurance without a license and authorized an employee to transact insurance without a license.

Penalty: Licenses revoked

Date of order: March 10, 2000

Michael J. Evinger

Chehalis, WA

Violation: Failed to pay a fine assessed by the DCBS director.

Penalty: License suspended. License will be revoked if payment plus interest is not received within 90 days after the order date.

Date of order: April 3, 2000

Eugene P. Hamilton and AA Associates Insurance Agency

Portland, OR

Violations: Knowingly misrepresented information to an insurer. Failed to respond

completely to an inquiry from the Insurance Division. Failed to notify the division of a change in the agency's name. Failed to notify the division of several affiliations and terminations.

Penalty: Licenses revoked; \$2,000 fine for Hamilton; \$1,000 fine for AA Associates Insurance Agency.

Date of order: Dec. 9, 1999

Wydra W. Homitz

Gresham, OR

Violation: In default on a student loan.

Penalty: License suspended

Date of order: Jan. 20, 2000

Alf L. Jorgenson

Portland, OR

Violation: In default on a student loan.

Penalty: License suspended Jan. 20, 2000

License reinstated Feb. 1, 2000

Check our Web site for copies of all final enforcement orders since July 16, 1998:

www.oregoninsurance.org

Kimberly D. Lindsay

Scappoose, OR

Violation: In default on student loan.

Penalty: License suspended

Date of order: Nov. 15, 1999

Trevis W. Luzier

Eugene, OR

Violations: Made false or fraudulent representations on or relative to insurance applications. Failed to respond to an inquiry from the DCBS director. Failed to notify the Insurance Division that he had changed his residence address and phone number.

Penalty: License revoked; \$5,500 fine

Date of order: Oct. 18, 1999

Allison P. Millay

Medford, OR

Violation: In default on a student loan.

Penalty: License suspended

Date of order: Jan. 24, 2000

Ellen M. O'Brien

Gresham, OR

Violations: Illegally used or withheld monies belonging to an insured. Engaged in fraudulent or dishonest practices.

Penalty: License revoked; \$3,000 fine

Date of order: March 9, 2000

Pacific Benefits Group

Portland, OR

Violation: Failed to identify the name of the actual insurer in a health insurance advertisement. Charged a service fee to applicants for insurance.

Penalty: \$6,000 fine; service fees must be refunded to 529 insurance applicants

Date of order: Oct. 28, 1999

Christopher H. Page

Portland, OR

Violation: Made material misrepresentations as to the terms of an insurance policy or a proposed policy.

Penalty: License suspended from Sept. 27, 1999 to Dec. 26, 1999; \$1,000 fine

Date of order: Sept. 24, 1999

Frank K. Shafer

Portland, OR

Violation: Made a misrepresentation on or relative to an insurance application in three instances.

Penalty: Voluntarily surrendered license. Agreed to lifetime ban from the Oregon insurance industry in lieu of further administrative action.

Date of order: April 27, 2000

Cheryl L. Tilley

Sandy, OR

Violation: Embezzled money from her employer.

Penalty: License revoked

Date of order: March 27, 2000

Thomason Toyota

Gladstone, OR

Violations: Authorized unlicensed employees to sell credit life and health insurance. Failed to notify the Insurance Division of affiliations and terminations.

Penalty: \$30,000 fine

Date of order: Dec. 29, 1999

Jeff A. Turpen

Redmond, OR

Violation: In default on a student loan.

Penalty: License suspended

Date of order: Nov. 15, 1999

Umpqua Title & Escrow Services, Inc.

Roseburg, OR

Violation: Gave something of value to an intermediary that exceeded the amount allowed.

Penalty: \$500 fine

Date of order: Dec. 21, 1999

RULES & BULLETINS

Administrative Rules

Administrative rules recently adopted or amended by the Oregon Insurance Division, and division bulletins, are summarized below. Rules and bulletins are available on our Web site: www.oregoninsurance.org.

To request a printed copy of a rule or bulletin, please call **Sue Munson**, administrative rules coordinator, (503) 947-7272, or write to: Administrative Rules Coordinator, Oregon Insurance Division, 350 Winter St. NE, Room 440, Salem, OR 97301-3883.

Be sure to include the rule ID number or bulletin INS number with your request. There is no charge.

ID 5-1999 — Amends OAR 836-011-0000 to require insurers to use annual statement blanks and instructions developed by the National Association of Insurance Commissioners for reporting year 1999. *Adopted:* Nov. 9, 1999. *Effective:* Nov. 18, 1999.

ID 6-1999 — Amends OAR 836-009-0007 relating to licensing fees for agents, adjusters, and insurance consultants. Amends OAR 836-071-0125, -0130, -0215 relating to the initial licensing period, license renewal and continuing education. *Adopted:* Dec. 3, 1999. *Effective:* Jan. 1, 2000.

ID 7-1999 — Adopts OAR 836-031-0750, -0755, -0760, -0765, -0770, -0775. Establishes a reserve valuation method for certain life insurance policies and provides tables of select mortality factors and rules for their use. Also known as "Triple X" rules. *Adopted:* Dec. 18, 1999. *Effective:* Jan. 1, 2000.

ID 1-2000 — Amends OAR 836-043-0110 governing the premium audit program for workers compensation insurers, and 836-043-0170 establishing the procedure for an employer to appeal a final premium audit billing under ORS 737.505. Implements

1999 amendments to ORS 737.318, which include the notification of an employer's appeal rights and appeal deadlines in the final premium audit billing. The rulemaking provides that failure to include the notification renders a billing incomplete as a final premium audit billing. *Adopted:* Feb. 4, 2000. *Effective:* Feb. 10, 2000.

ID 2-2000 — Temporarily adopts OAR 836-071-0322, -0325, -0330, -0335, -0340, -0345, -0350. Establishes procedures and standards for Insurance Division review of applications for agent, adjuster and consultant licenses by individuals convicted of a misdemeanor involving moral turpitude or a felony. *Adopted:* March 15, 2000. *Effective:* March 9 through Sept. 1, 2000.

ID 3-2000 — Adopts OAR 836-043-0300, -0310, -0320. Establishes standards that assure fairness and reasonable guidance in the process followed in licensing workers compensation insurance rating organizations and in selecting the statistical agent. *Adopted:* March 15 2000. *Effective:* March 29, 2000.

Bulletins

INS 99-7 — Nov. 10, 1999

Reminds agents and insurers selling long-term care insurance of certain statutes and rules that govern sales practices, including product comparisons and replacement of current coverage.

INS 2000-1 — Feb. 1, 2000

Outlines changes in prima facie premium rates for credit life and health insurance. New rates are effective June 1, 2000.

INS 2000-2 — April 6, 2000

Explains changes to advertising filing procedures. Replaces INS 97-1.

INS 2000-3 — May 1, 2000

Revises Bulletin INS 2000-1 relating to changes in prima facie premium rates for credit life and health insurance.

HCFA awards grants to senior health program

The Health Care Financing Administration (HCFA) has awarded the Oregon Insurance Division grants totaling \$357,763 to continue and expand the Senior Health Insurance Benefits Assistance (SHIBA) program.

SHIBA is a joint federal-state program that provides information and counseling services to help Oregon senior citizens and other Medicare beneficiaries make better health insurance decisions. It operates a toll-free information line, publishes brochures and booklets, and conducts educational seminars.

In addition, several hundred SHIBA volunteers around the state provide one-on-one counseling for Medicare beneficiaries.

HCFA awarded a \$290,313 continuation grant to SHIBA, plus \$67,450 in additional funding for program enhancements.

PERSONNEL

Donna Norris was promoted from executive assistant to the deputy insurance commissioner to executive assistant to the DCBS director.

Brenda Myers was promoted from administrative specialist in the Consumer Protection Section to executive assistant to the deputy insurance commissioner.

Greg Ledbetter was promoted from compliance officer to senior compliance officer. He succeeds **Fred Lindgren**, who retired Feb. 29.

Employees recently joining the Insurance Division:

- **Dennis Ault**, retaliatory tax auditor, Company Regulation.
- **Dawn Charles**, licensing technician, Agent Licensing.
- **Lynette Hadley**, retaliatory tax auditor, Company Regulation.
- **Gary Holliday**, investigator, Consumer Protection.
- **Ruth MacLeod**, licensing technician, Agent Licensing.
- **Espi Mendenhall**, compliance officer, Consumer Assistance.
- **Carmen Mendiola**, receptionist, Agent Licensing.
- **Cliff Nolen**, compliance officer, Consumer Assistance.
- **Tamra Prevett**, administrative assistant, Rates & Forms.

Insurance Division employees earn professional designations

A number of Insurance Division employees recently earned professional designations from credentialing bodies in their fields:

• Rates & Forms Section

Janice Hart, Chartered Financial Consultant (ChFC)

• Company Regulation Section

Rick Frawley, Accredited Financial Examiner (AFE)

• Consumer Protection Section

Cindy Jones, Kathleen Kalk and Russel Kennel, Accredited Insurance Examiner (AIE)

Consumer group gives high marks to the Insurance Division's Web site

Oregon was one of 15 states to receive an "A" grade from the Consumer Federation of America (CFA) in the group's recent survey of state insurance department Web sites.

In assigning grades, CFA judged state Web sites on the availability of consumer brochures, insurance price comparisons, complaint information, and whether complaints could be filed on line. CFA also evaluated how easy or difficult it is to navigate each Web site.

Oregon was commended for having financial and market conduct examinations on its site. "This is excellent information for a consumer to determine, in depth, the solidity and market practices of the insurance company they are considering," according to CFA.

"We are obviously pleased with our grade," said **Joel Ario**, deputy insurance

commissioner. "We have worked hard to make our site consumer-friendly, and we will continue our ongoing efforts to improve it."

The Oregon site features a variety of information for consumers. For example, consumers can use the site to see if their insurance agent or company is licensed to do business in Oregon or has been penalized for violating the state Insurance Code.

The site also includes:

- Rankings of insurance companies based on the number of consumer complaints received by the Insurance Division
- Grievance statistics and other reports filed by health insurers as required by Oregon's *Patient Protection Act of 1997*.
- Copies of consumer publications about insurance.

The Insurance Division's new Web address is **www.oregoninsurance.org**.

Consumer publications provide insurance information

The Oregon Insurance Division publishes several brochures and booklets for consumers:

- *Guide to Oregon Insurance Complaints*
- *Guide to Auto Insurance*
- *Guide to Homeowner/Tenant Insurance*
- *Protecting the Insurance-buying Public*
- *Guide to Medicare Supplement Insurance and Managed Care Organizations*
- *Long-term Care Insurance*

- *Your Medicare Health Plan Choices*
- *Free Help with Medicare and Other Health Insurance*
- *Health Insurance Portability*

Free copies are available by writing to: Publications, Oregon Insurance Division, 350 Winter St. NE, Salem, OR 97301-3883.

Publications also are on the division's Web site: **www.oregoninsurance.org**.

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