

Cory Streisinger named to head DCBS

Cory Streisinger was named director of the Oregon Department of Consumer and Business Services (DCBS) by Governor Kulongoski on Jan. 8, 2003, and confirmed by the Oregon State Senate on Jan. 24.

The Oregon Insurance Division is part of DCBS, which is the state's largest regulatory and consumer protection agency. Insurance Administrator **Joel Ario** and the heads of the other DCBS divisions report to the DCBS director.

"DCBS has a strong record of working with its stakeholders to achieve both elements of its mission – to protect consumers and workers while supporting a positive business climate in the state," Streisinger said. "I'm fully committed to continuing that record of constructive collaboration as we address critical policy issues such as access to health care in rural areas."



Cory Streisinger

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Division sponsors four bills in 2003 Oregon Legislature

The Insurance Division has introduced four bills for consideration by the 2003 Legislature, which convened Jan. 13:

- **SB 235** — Amends insurance trade practices for lending institutions to clarify consumer protections and comply with federal laws.
- **SB 252** — Amends a number of stat-

utes, including those governing insurance privacy requirements, statutory accounting principles, insurance holding companies, and exempt insurers.

- **SB 253** — Completes agent licensing reciprocity with other states in conformance with federal law.
- **SB 236** — Requires health insurance

coverage to include prescription contraceptives when prescriptions are otherwise covered.

Other insurance issues the Legislature is likely to consider include:

- Health care reforms aimed at making

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Lundberg, Latham get new assignments

Oregon Insurance Administrator **Joel Ario** has named **Carl Lundberg** as deputy administrator and **Russell Latham** as manager of the Financial Regulation Section.

Charles Nicoloff, who retired December 31, held both positions. (See story, Page 5).

Lundberg joined the Insurance Divi-

sion in August 2000 as manager of the Consumer Protection Section. He was named manager of the Rates & Forms Section in October 2000 and will continue to supervise the section in addition to serving as deputy administrator.

Lundberg came to Oregon from South Carolina in 1999 when his wife accepted an executive management position with the Oregon Department of Human Services. He was chief counsel for the South Carolina Department of Probation, Parole and Pardon Services for 12½ years, and also has worked as a prosecutor, public defender, county court judge and in private practice.

Lundberg has a bachelor's degree in business administration and a law degree

Ario elected NAIC secretary-treasurer

Oregon Insurance Administrator **Joel Ario** was chosen as secretary-treasurer of the National Association of Insurance Commissioners (NAIC) in a special election in January.

Ario has been administrator of the Insurance Division since May 2000. He serves as president and board chair for the National Insurance Producer Registry (NIPR), and also chairs the NAIC's Market Regulation and Consumer Affairs Committee.

Ario is the first Oregonian to hold an NAIC office since former Insurance Commissioner **Jo Driscoll** served as NAIC president in 1986.



C. Lundberg



R. Latham

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AGENT LICENSING

Checking your CE certificates can speed license renewals

By Margarita Nuñez

Before sending in your continuing education certificates, please check to make sure you don't submit duplicate copies or duplicate courses. We've seen an increase in the number of courses that are counted twice or taken twice. No credit can be given for the same course taken twice during a renewal period.

We are also receiving an increasing number of affidavits, grade reports or other information showing a course was passed. We don't accept these as proof of course completion nor do we accept other state's continuing education certificates. The only exception is official grade reports issued by the American Institute of CPCU.

CE certificates are valid only if they come from an Oregon registered continuing education provider. Certificates should include the course title, Oregon course registration number, agent's name, course date, provider's authorized signature, and credit hours granted.

CE providers are required to issue certificates within 15 days of the date of a lecture course, 15 days after an agent completes a self-study course, or 15 days after the Insurance Division approves the course, whichever is later. The only exception is when the provider, at the time of registration or payment, discloses in writing the date or time period in which the certificate will be issued.

A note of caution to agents waiting until the last month before renewal to take their courses: If you take a course that has approval pending, you may not get credit. Sometimes course requests are denied or hours are reduced. Also, if you purchased a self-study course and wait several months or years before taking the exam, the course may have expired in the interim. If the course expires, no credit can be given even if the course was active when you bought it. Your continuing education provider should be able to confirm if the course is still valid.

Life settlement brokers

We're hearing from more agents who wish to sell or offer to sell life settlement contracts. The Insurance Division has jurisdiction over life settlement contracts involving a policy insuring the life of a person with a terminal illness or condition. This type of contract is also known as a viatical settlement.

An agent needs to be licensed as a life settlement broker in Oregon if he or she does one of the following:

- Offers or advertises the availability of this type of life settlement contract.
- Introduces holders of life insurance policies or certificates insuring the lives of persons with a terminal illness or condition to life settlement providers.
- Offers or attempts to negotiate life settlement contracts between such policyholders or certificate holders and one or more life settlement providers.

Another type of life settlement arrangement involves a life insurance policy purchased from an elderly person. The person may not be suffering from any life threatening illness but merely wants to sell the policy. This type of arrangement has also been referred to as a senior settlement. An agent who brokers or offers senior settlement services does not need to be licensed as a life settlement broker by the Insurance Division.

However, sales or offers to sell investments in viatical, senior or life settlement contracts, whether whole, fractional or pooled, to third party investors are treated as securities under the Oregon Securities Law. Viaticals and life settlements are a type of investment contract and therefore subject to the registration and licensing requirements of state securities law. Violations of these requirements can result in administrative actions and an agent may be exposed to personal civil liability if the investment goes bad.

More information about state securities regulations for these contracts is available on the Web site of the Oregon Division of Finance and Corporate Securities, www.cbs.state.or.us/dfcs. Click on FAQs.

Continuing education proctor list

A list of continuing education proctors is now available on our Web site, oregoninsurance.org. Click on Agent Information. This list was recently updated and includes telephone numbers so you can contact proctors.

Electronic nonresident licensing

The Insurance Division started accepting nonresident applications electronically on Nov. 18, 2002. As of Jan. 15, we had processed 80 licenses electronically; 82.5 percent of these were processed within two days. The remaining applications were held up because additional information was required.

Margarita Nuñez is manager of the Agent Licensing Unit.

APPOINTMENTS

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from Indiana University in Bloomington.

Latham had been chief financial ana-

lyst in the Company Regulation Section since 1995. He was named employee of the month for the Department of Consumer & Business Services (DCBS) in November 2002. The Insurance Division is part of DCBS.

Before joining the division in 1992 as

a financial analyst, Latham was a certified public accountant for more than six years, specializing in the banking and insurance industries. He is a 1982 graduate of Louisiana Tech University.

A native of Louisiana, Latham lives in Salem with his wife and two children.

INSURANCE ADMINISTRATOR'S COLUMN

End of year brings many changes to Insurance Division

The last few months of 2002 brought a number of changes to the Insurance Division. Two veteran employees, **Charlie Nicoloff** and **Michael Lamb**, retired (see stories, Page 5), following by only two months the retirement of **Dick McGavock**. Fortunately, all three are still helping us during the transition.



As deputy administrator and manager of company regulation, I relied heavily on Charlie's experience and counsel. Dick and Mike were our workers' compensation insurance experts—their shoes will be hard to fill. All three shared a strong commitment to public service, and I want them to know how much their efforts were appreciated.

DCBS welcomes new director

In January, we welcomed **Cory Streisinger** as director of the Department of Consumer & Business Services (see story, Page 1). Cory believes strongly in the DCBS mission: "To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state." Under her leadership, DCBS will play a key role in Governor Kulongoski's efforts to streamline regulations without weakening consumer protections.

Credit scoring rules protect consumers

Our new administrative rules governing the use of credit scoring by property and casualty insurers go into effect June 1. We developed the rules with input from an advisory committee representing consumer groups, insurance agents, and insurers.

The rules prohibit use of credit to cancel or non-renew current policyholders. When consumers are adversely affected by their credit, insurers must give them specific reasons for the adverse action, with an opportunity to correct any mistakes in their credit history and to have their score recalculated if their credit improves.

Our rules cover some serious abuses that we could remedy administratively. The Legislature is likely to review credit scoring this session and we will work with lawmakers to address any additional issues.

For more information, please check our Web site: **oregoninsurance.org**.

Division submits four bills in Legislature

The Insurance Division has submitted four bills for consideration during the Legislature's biennial session (see story, Page 1). The best way to keep up with insurance-related legislation is by checking our Web site, which includes our bills and links to other insurance legislation.

Electronic licensing now a reality

We're continuing our efforts to expedite the licensing process for nonresident agents. We began accepting nonresident applications electronically last November, and most of these have been processed within two days.



Joel Ario
Insurance 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. Carl Lundberg

Admin. Services & Operations

Information (503) 947-7980

Manager Elaine Day

• **Agent Licensing** (503) 947-7981

Manager Margarita Nuñez

Consumer Protection

Information (503) 947-7984

Manager Jann Goodpaster

• **Consumer Advocacy** (503) 947-7240
Manager Larry Culbertson

• **Investigations** (503) 947-7233
Acting Manager Bill Karalekas

Financial Regulation

Information (503) 947-7982

Manager Russell Latham

Rates & Forms

Information (503) 947-7983

Manager Carl Lundberg

• **Health** (503) 947-7983

Asst. Manager Maxi McKibben

• **Life/P & C** (503) 947-7983

Asst. Manager Donna Bleiler

Employment opportunities

Shelley Greiner (503) 947-7222

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

1-866-275-7922

Workers' Compensation Division

General information

(503) 947-7810

Oregon Government

Directory Assistance

(503) 378-6500

COMPANY ACTIONS

Sanctions

Actions against insurance companies are summarized below. Copies of enforcement orders are available on the Insurance Division's Web site: oregoninsurance.org.

AIU Insurance Co.

New York, NY

Violations: Failed to implement reasonable claim investigation standards. Failed to promptly acknowledge or act on claim communications.

Penalty: \$10,000 fine

Date of order: Oct. 1, 2002

Globe Life And Accident Insurance Co.

Oklahoma City, OK

Violation: Failed to timely pay interest on life insurance death benefits.

Penalty: \$5,000 fine

Date of order: Nov. 8, 2002

Jackson National Life Insurance Co.

Lansing, MI

Violation: Terminated agents without 90 days' written notice.

Penalty: \$10,000 fine

Date of order: Oct. 21, 2002

Metropolitan Life Insurance Co.

Tampa, FL

Violation: Allegedly used racially discriminatory practices in the sale of life insurance policies.

Penalty: The New York Insurance Department, on behalf of other state insurance regulators, entered into a Regula-

tory Settlement Agreement with MetLife on Aug. 29, 2002. MetLife must pay certain benefits to an estimated 1.8 million current or former policyholders, of which approximately 4,651 are Oregon residents. About \$374,851 of the estimated \$160 million in total benefits is expected to be paid to Oregon policyholders.

Date of order: Nov. 5, 2002

National Health Insurance Co.

Dallas, TX

Violation: Failed to conduct a reasonable investigation of claims.

Penalty: \$15,000 fine

Date of order: Oct. 29, 2002

North American Marine General Insurance Company, Ltd.

Panama City, Panama

Violation: Transacted insurance in Oregon as an unauthorized insurer.

Penalty: Ordered to cease and desist from violating the Oregon Insurance Code

Date of order: Oct. 18, 2002

Ohio National Life Insurance Co. (The)

Cincinnati, OH

Violation: Terminated agent appointments without sufficient notice.

Penalty: \$10,000 fine

Date of order: Nov. 18, 2002

New admissions — insurers

Alliance Mutual Insurance Co.

McPherson, KS • Dec. 16, 2002

Property

American Century Casualty Co.

Houston, TX • Dec. 23, 2002

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

Encompass Insurance Co. of America

Chicago, IL • Sept. 12, 2002

Property, Casualty excl. WC, Marine and Transportation

Enumclaw Property and Casualty Insurance Co.

Enumclaw, WA • Sept. 16, 2002

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

Fidelity National Home Warranty Co.

Walnut Creek, CA • Dec. 30, 2002

Home Protection

Minnesota Lawyers Mutual Insurance Co.

Minneapolis, MN • Dec. 2, 2002

Casualty excl. WC

Neuma, Inc.

Lincolnwood, IL • Dec. 3, 2002

Life Settlement

Peachtree Casualty Insurance Co.

Longwood, FL • Dec. 4, 2002

Casualty excl. WC

Standard Casualty Co.

New Braunfels, TX • Dec. 9, 2002

Property, Casualty excl. WC

Suspensions

American Growers Insurance Co.

Jan. 6, 2003

Kelco, Inc., dba Kelco, Inc., a corporation of Kentucky

Nov. 25, 2002

Wasatch Crest Insurance Co.

Nov. 8, 2002

Surrenders of Authority

General Life Insurance Co.

Merged into General American Life Insurance Co. • July 1, 2002

Northern Life Insurance Co.

Merged into Reliastar Life Insurance Co. • Oct. 1, 2002

NN Insurance Co.

Merged into Northwestern National Casualty Co. • June 30, 2002

Paula Insurance Co.

Ancillary receivership • Sept. 24, 2002

Viaticare Capital, L.P.

Voluntarily withdrew • Sept. 26, 2002

Published financial exams

Northwest Physicians Mutual Insurance Co.

As of June 30, 2002

Providence Health Plan

As of Dec. 31, 2001

Market conduct exams

Dentists Benefits Insurance Co.

As of Sept. 30, 2001

Oregon Dental Service

As of Sept. 30, 2001

LEGISLATURE

Continued from Page 1

insurance more available and affordable in the small employer and individual markets.

- Medical professional liability insurance, especially the cost and availability of insurance for rural doctors.
- Use of credit scoring by property and casualty insurers.
- SAIF's role in the Oregon workers' compensation marketplace.

Information about the 2003 legislative session is available on the division's Web site: oregoninsurance.org. Click on 2003 Legislature.

Nicoloff, Lamb culminate successful insurance careers

The end of 2002 marked the retirements of two veteran Insurance Division employees, **Charles Nicoloff**, deputy administrator and manager of company regulation, and **Michael Lamb**, casualty actuary.

Charles Nicoloff

Even after 35 years as a regulator, Charles Nicoloff says he's still learning about the insurance industry.

"I've learned something every day," he says, adding that he's never been bored on the job and has enjoyed the challenges that came with regulating 35 lines of business.

After working as a field examiner for the California Insurance Department in the Los Angeles area for 10 years,



C. Nicoloff

Nicoloff joined the Oregon Insurance Division in 1977 as a supervisory tax and financial analyst. His responsibilities increased over the years depending on the need. For example,

when a number of domestic insurers went into liquidation in the 1980s, he was called on to supervise a special liquidation office in Portland in addition to his other duties.

Nicoloff believes financial regulation involves much more than just reviewing annual statements or conducting examinations. Regulators need to develop relationships with their domestic insurers so they can feel comfortable calling a CEO to discuss a potential problem.

Nicoloff is proud of Oregon's participation in the accreditation program of the National Association of Insurance Commissioners (NAIC), which requires state regulators to closely monitor the financial health of insurance companies. He's confident Oregon will be reaccredited later this year.

"It's an excellent method of financial oversight," Nicoloff says. "**Russell Latham** and **Neeraj Gupta** deserve credit for making it happen on a daily basis." Latham, formerly chief analyst, succeeded Nicoloff as head of financial regulation. Gupta is chief examiner.

Nicoloff points out that the industry supports accreditation because it reduces insolvencies. "Problems are caught sooner and dealt with sooner," he says.

After 13 years focusing on taxation, receiverships and financial oversight, Nicoloff was named deputy administrator in 1990. He still supervised company regulation, but was called on to fill in for the division administrator and served as acting administrator several times when the administrator's position was vacant.

"Charlie Nicoloff has made major contributions to the success of Oregon's financial regulation and taxation programs," says Oregon Insurance Administrator **Joel Ario**. "His expertise and counsel will be sorely missed."

Nicoloff, who is a certified financial examiner (CFE), served 15 years on the board of governors of the Society of Financial Examiners (SOFE) and was SOFE state chair for seven years.

Although he's retired, Nicoloff will help the division with legislation and tie up loose ends over the next few months. He's looking forward to spending more time with his wife, Martha, an elementary school teacher, and their two children and grandchildren.

Michael Lamb

Michael Lamb began his insurance career in 1971 as a "baby actuary" with Wausau Insurance in Wisconsin. After four Wisconsin winters, the Utah native decided it was time to move to a warmer climate and accepted a position as a casualty actuary with the Oregon Insurance Division in 1975.

Lamb left in 1984 to become an associate actuary for Argonaut Insurance in Menlo Park, California. He returned to the Insurance Division in 1987 at the request of Oregon Governor Ted Kulongoski, who was then state insurance commissioner.

In his 24 years with the Insurance Division, Lamb focused most of his attention on workers' compensation insurance, but other major projects involved medical professional liability, products liability, liquor liability, title insurance, and other coverages.

Lamb also was active at the national level, chairing a number of committees

for the National Association of Insurance Commissioners (NAIC), including the Casualty Actuarial Task Force and the Workers' Compensation Data Reporting



M. Lamb

Working Group. Most recently, he chaired a multi-state group overseeing an examination of the National Council on Compensation Insurance (NCCI).

"Having watched Mike deal with issues both in Oregon and nationally, I think of him as a kind of senior statesman with the wisdom and diplomatic skills to get companies not only to do the right thing, but to agree that it is the right thing," says Oregon Insurance Administrator **Joel Ario**.

Although he's officially retired, Lamb is working as a temporary employee for the Insurance Division on a transitional basis. He's considering other career opportunities, taking some college classes, or possibly teaching at the college or community college level.

Lamb and his wife, Jane, have two grown children. He enjoys umpiring Little League baseball.

PERSONNEL

The following Insurance Division employees retired:

- **Charles Nicoloff**, Dec. 31, 2002. (See story, this page)
- **Michael Lamb**, Dec. 31, 2002 (See story, this page.)
- **Richard McGavock**, senior policy advisor, Oct. 31, 2002
- **Carol Addie**, licensing coordinator, Dec. 31, 2002

New Insurance Division employees:

- **John Hardiman**, consumer advocate, Consumer Advocacy Unit
- **Christina Jaramillo**, Senior Health Insurance Benefits Assistance (SHIBA) assistant

PRODUCER ENFORCEMENT ACTIONS

Actions against insurance producers are summarized below. Copies of enforcement orders are available on the Insurance Division's Web site: oregoninsurance.org.

Jeffrey Paul Bartlett

Bend, OR

Violations: Made false representations on or relative to three insurance applications. Failed to notify the Insurance Division of his address change within 30 days. Failed to respond to an inquiry by the division.

Penalty: Oregon resident agent license revoked; \$2,500 fine

Date of order: Dec. 30, 2002

Mark B. Claiborne

College Place, WA

Violations: Made misrepresentations to an insurer on an insurance application. Failed to truthfully reply to an inquiry by the Insurance Division.

Penalty: Claiborne's Oregon nonresident license is suspended from Jan. 17 to April 17, 2003. He also was fined \$500.

Date of order: Jan. 28, 2003

David R. Forest

Canby, OR

Violation: Engaged in dishonest conduct.

Penalty: Oregon resident license revoked

Date of order: Oct. 1, 2002

Phyllis A. Forest

Canby, OR

Violation: Made misrepresentations on insurance applications.

Penalty: Oregon resident license revoked

Date of order: Oct. 1, 2002

Myra J. Harkins, and Roy Harkins & Son, Inc. dba Jeannie's Insurance Place

Roseburg, OR

Violations: Misappropriated insurance premiums. Withheld insurance applications. Made misrepresentations on insurance applications.

Penalty: Oregon agent and agency licenses revoked

Date of order: Jan. 10, 2003

Kathy Holland

Oregon City, OR

Violations: Failed to timely deposit premium into an insurance trust account.

Failed to keep records of premium transactions. Failed to promptly respond to an inquiry from the DCBS director.

Penalty: \$1,500 fine

Date of order: Sept. 30, 2002

International Water Marine Safety Foundation

Quebec, Canada

Violations: Transacted insurance in Oregon as an agent without a license. Transacted insurance in Oregon as an agent for an unauthorized insurer.

Penalty: Ordered to cease and desist from violating the Insurance Code

Date of order: Oct. 18, 2002

Michael J. Murray

Gold Beach, OR

Violation: Transacted insurance as an agent for an unauthorized insurer.

Penalty: \$500 fine

Date of order: Oct. 29, 2002

John S. Nolan, John S. Nolan Insurance, Inc., and John S. Nolan Insurance Consulting, Inc.

Lake Oswego, OR

Violations: Failed to maintain premiums in a premium trust account. Failed to deposit premiums in a premium trust account. Illegally withheld premiums.

Penalty: Oregon insurance agent and insurance consultant licenses revoked. Nolan also was fined \$4,000.

Date of order: Oct. 29, 2002

Soo Man Pai

Beaverton, OR

Violations: Transacted insurance without a license. Misrepresented to an insurer that he was a licensed agent.

Penalty: The Insurance Division refused to grant Pai an agent license. Pai agreed not to work in the insurance business in Oregon.

Date of order: Feb. 11, 2003

Rita Rey

San Bernardino, CA

Violations: Was convicted of two misdemeanors involving moral turpitude. Made a false statement on her Oregon nonresident license application.

Penalty: Oregon nonresident agent license revoked

Date of order: Oct. 29, 2002

Ernest L. Robirds

Beaverton, OR

Violations: Used a dishonest practice in the transaction of insurance. Failed to truthfully respond to the DCBS director's inquiry.

Penalty: Oregon resident agent license suspended for three months; \$2,000 fine

Date of order: Dec. 20, 2002

Scott J. Rom

Portland, OR

Violation: Used a dishonest practice in the conduct of business. Failed to respond to an inquiry from the DCBS director.

Penalty: Oregon resident license revoked

Date of order: Oct. 14, 2002

Keith A. Royer

Eugene, OR

Violation: Transacted insurance as an agent for an unauthorized insurer.

Penalty: \$200 fine

Date of order: Nov. 8, 2002

Dianne M. Strong and Oregon Commercial Insurance Agency

White City, OR

Violation: Failed to timely respond to inquiries from the DCBS director.

Penalty: Strong agreed to revocation of her individual and agency licenses.

Date of order: Oct. 21, 2002

John D. Taber

Pendleton, OR

Violation: Misappropriated insurance premiums.

Penalty: Oregon resident license revoked

Date of order: Jan. 7, 2003

Diane L. Wanderscheid

Klamath Falls, OR

Violation: Transacted insurance as an agent for an unauthorized insurer.

Penalty: \$200 fine

Date of order: Dec. 4, 2002

Gregory C. Wells

Newport, OR

Violation: Withheld premium from an insured.

Penalty: \$1,000 fine

Date of order: Nov. 4, 2002

ADMINISTRATIVE RULES & BULLETINS

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

To request a printed copy of a rule or bulletin, please contact **Sue Munson**, administrative rules coordinator:

Phone: (503) 947-7272

Mail: Administrative Rules Coordinator
Oregon Insurance Division
PO Box 14480
Salem, OR 97309-0405

E-mail: paulinesue.munson@state.or.us

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

Administrative rules

ID 20-2002 — Insurance Rates and Forms Filings: OAR 836-010-0000, OAR 836-010-0011 & 836-010-0021

Permanently adopts temporary amendments to OAR 836-010-0011 in order to replace the several separate certification statements insurers are required to submit with a single certificate of compliance.

Adopted: Oct. 9, 2002

Effective: Oct. 12, 2002

ID 21-2002 — Service Contracts and Financial Stability Filings: OAR 836-200-0030

Allows an obligor that maintains a net worth or shareholders' equity of at least \$100,000,000 but who is not required to file a Form 10-K with the Securities and Exchange Commission to substitute a copy of the obligor's most recently audited annual financial statements to satisfy the requirement of ORS 646.267(5)(a).

Adopted: Oct. 23, 2002

Effective: Oct. 30, 2002

ID 22-2002 — Financial Solvency Rules — CPA Audit Rules, Risk-Based Capital for Health Care Service Contractors, Credit for Reinsurance, Mortgage Insurance, Advance Payment: OAR 836-011-0100, 836-011-0500/0550, 836-054-0300, 836-012-0000/0100, 836-050-0150

Establishes and enforces risk-based capital standards for health care service contractors; amends current rules governing credit for reinsurance; amends current rules governing annual independent audits of insurer financial statements by certified public accountants; amends the current rule relating to mortgage insurance in connection with junior liens; and amends and renumbers the current rule governing the notice required to accompany an advance payment of damages.

Adopted: Nov. 9, 2002

Effective: Nov. 27, 2002

ID 23-2002 — List Billing: OAR 836-053-0021, 0430, 0440

Prohibits list billing, in which an insurer provides to a small employer a billing that lists premium due for employees' individual health plans.

Adopted: Nov. 22, 2002

Effective: Nov. 27, 2002

ID 24-2002 — Medicare Supplement Insurance: OAR 836-052-0142

Amends the rule governing guaranteed issuance of Medicare supplement insurance to incorporate the most recent changes in federal law.

Adopted: Dec. 12, 2002

Effective: Dec. 13, 2002

ID 25-2002 — Use of Insurance Scores and Credit History: OAR 836-080-0425, 0430, 0432, 0435 and 0440

Establishes requirements for and restrictions on insurers' use of credit his-

tory and credit factors in insurance scores in connection with underwriting and rating for personal property and casualty insurance. The rules prohibit use of credit to cancel or non-renew current policyholders. The rules also address required disclosures, adverse actions based on credit history or insurance scores, recalculation of scores, development of policies governing credit information, and correction and review of credit information.

Adopted: December 2, 2002

Effective: June 1, 2003

ID 01-2003 — Amendment to Assist in Controlling Workers' Compensation Insurance Plan (WCIP) Expenses: OAR 836-043-0024 and 836-043-0044

Amends rules relating to the Workers' Compensation Insurance Plan (WCIP) to control WCIP expenses by ensuring that worker-leasing companies provide information necessary to determine premium and coverage before they obtain assigned risk coverage for workers' compensation insurance.

Adopted: Jan. 7, 2003

Effective: Jan. 17, 2003

Bulletins

INS 2002-06 — Oct. 9, 2002

This bulletin, which explained filing procedures for exclusions related to acts of terrorism, has been withdrawn. Please see INS 2002-07 below.

INS 2002-07 — November 27, 2002

Explains voluntary expedited filing procedures for compliance with provisions of the *Terrorism Risk Insurance Act of 2002*.

INS 2003-1 — Jan. 8, 2003

Explains reporting procedures for the *Patient Protection Act*.

Division cleans out old bulletins

Almost 85 percent of bulletins issued by the Insurance Division have been withdrawn. A review of all 232 bulletins issued since 1914 showed that 198 were obsolete. The remaining 34 active bulletins will be posted on the division's Web

site: oregoninsurance.org. Click on Laws, Rules & Bulletins.

The Web site also will include an index of all bulletins and will indicate if they are active or have been withdrawn.

STREISINGER

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In carrying out the duties of DCBS director, Governor Kulongoski has also asked Streisinger to lead a statewide regulatory streamlining initiative aimed at improving Oregon's economic climate while supporting essential consumer and worker protection standards.

"I'm going to work with all of the DCBS divisions and program areas to ensure that this department takes the governor's initiative to streamline regulatory processes and makes it a reality,"

Streisinger said. "Oregon businesses need to know that we won't tolerate practices that endanger or defraud consumers and workers, but they also need to know that our intent is to help – not hinder – legitimate business enterprise."

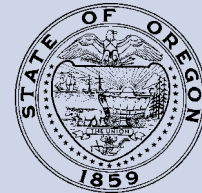
Streisinger was a director and general counsel at the Port of Portland for 10 years. Prior to that, she was legal counsel to then-Governor Neil Goldschmidt and an attorney in private practice, handling commercial and securities litigation as a partner at a Portland law firm. She received her bachelor's degree from Cornell University and her law degree from Stanford University.

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Cory Streisinger

Editor
John Piper



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Visit us on the Web:
oregoninsurance.org

Newell receives Paul DeAngelo scholarship

Cece Newell of the Insurance Division's Consumer Advocacy Unit has received a Paul DeAngelo Professional Development Scholarship from the National Association of Insurance Commissioners (NAIC). Twenty scholarships were awarded to staff from 15 insurance departments nationwide.

The scholarship was established in 2000 by the NAIC Education and Research Foundation in memory of Paul DeAngelo, formerly of the New Jersey Insurance Department. The scholarship can be used for NAIC-sponsored education programs.

Newell, who holds a certified insurance counselor (CIC) designation, joined the Oregon Insurance Division in January 2001 as a consumer advocate. She has 22 years of industry experience, including 20 years as a commercial insurance agent.

Frawley earns CFE designation

Rick Frawley, a financial analyst in the Financial Regulation Section, earned his certified financial examiner (CFE) designation in October 2002. Frawley has been with the Insurance Division since May 1998.



INSURANCE DIVISION

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