

Administrator's message



Teresa Miller

While federal reform is keeping us busy on the health insurance front, we have a number of changes under way in producer licensing and some recent enforcement actions against agents that merit examination. I hope you take a moment to read updates on these topics from our Producer Licensing Manager Jim Thompson, Page 3, and our Chief Investigator Dale White, Page 7.

Meanwhile, I'll touch on a few key reform issues and also the topic of producer rebating, which we are exploring but haven't finalized.

Health reform issues

I have been telling health insurance agents that we recognize the important role agents play in helping consumers navigate health insurance and that I believe this role will exist after implementation of federal health care reform.

Some direction on these issues will likely come through the establishment of state-based exchanges, since this is where many individuals and small businesses will shop for insurance by 2014. In some states, insurance divisions will develop these exchanges. In Oregon, that is not the case. The Oregon Health Authority (OHA) is charged with developing a business plan for our exchange. This plan, which will also be shaped by future federal standards for exchanges and testimony received through a recent series of public meetings, will be presented to the 2011 Legislature. This page of the OHA website has additional information on the exchange issue and a timetable for what happens next: <http://www.oregon.gov/OHA/public-input.shtml>.

Additionally, some of you have asked about the medical loss ratio requirement, or the amount insurers spend on medical claims versus administrative costs. Federal reforms now require that insurers spend 80 percent or 85 percent of the premium dollar on medical claims. If they fail to do so, they must provide rebates to policyholders, starting in 2011.

So, the question still being debated is what counts as medical versus administrative costs. Although the final calculation that will be used by the federal government has not been finalized, the law includes agent commissions as administrative costs.

Continued on next page

Contents

Producer licensing	3
Administrative rules and bulletins	4
Consumer advocacy	5
Other state programs	6
Staying out of trouble	7
What's new on the website?	8
Enforcement actions	9
Recent rate activity	11
Key contacts	12



Insurance Division
P.O. Box 14480
Salem, OR 97309-0405

Administrator's message, *continued from previous page*

A final note on reform: Some key health insurance reforms became effective Sept. 23, 2010. Not all these reforms are required of all plans, however, depending on the insurance market and grandfathering status. Here is a list of key changes:

- » Plans that offer dependent coverage must extend coverage to young adults (married and unmarried) up to age 26. (All plans)
- » Children under age 19 can no longer be turned down for an individual health plan if they have a health condition. However, insurance companies may limit enrollment to certain times of year so that parents do not wait until a child becomes sick to seek insurance, increasing insurance costs for everyone. The Insurance Division issued emergency rules that created two annual enrollment periods for children under age 19. (Doesn't apply to individual grandfathered plans.) Learn more [here](#).
- » Health plans may no longer set lifetime limits on coverage of essential medical services. (All plans)
- » Insurance companies can no longer rescind coverage based on an unintentional mistake in an application. (All plans)
- » Health benefit plans must provide key preventive health care without co-pays, co-insurance, or deductibles. (Doesn't apply to group or individual grandfathered plans)
- » Insurers must phase out any annual limits on essential services over a three-year period. For example, plans issued or renewed starting Sept. 23 cannot set annual limits lower than \$750,000. (Doesn't apply to individual grandfathered plans)

Employer group plans sold on or after Sept. 23, 2010, must include the reforms. Existing plans generally will incorporate required reforms at renewal. For many consumers, this will be January 2011.

Individual/family plans sold on or after Sept. 23, 2010, must include the reforms. Existing individual plans will incorporate required reforms at the start of the plan's policy year.

By the way, our consumer advocates are available to you if you have questions. I hope you read Consumer Advocacy Manager Ron Fredrickson's piece on the role of these highly-trained advocates, Page 5.

Rebating Bulletin

The division regularly receives inquiries from insurance producers as to whether Oregon's anti-rebating statute (ORS 746.045) prohibits a producer from providing services and benefits at no cost or below fair market value to prospective or current clients. ORS 746.045 protects clients from unfairly discriminatory rates and practices by ensuring that one client does not receive a favored rate that is not available to all clients with similar risks. The law also creates a level playing field in the marketplace for insurers and producers based on the value and benefits of the insurance policies they provide and not on "side deals" that are not specified in the policy.

We developed a draft bulletin to clarify our interpretation of what is considered a "valuable consideration or inducement to or for insurance." We shared a copy of the draft with a number of stakeholders and received many thoughtful comments and suggestions. We really appreciate the time many of you have taken to share your ideas with the division. We are now reviewing these comments to help us determine our next steps.

Communications

A final comment. We are all undergoing significant change as a result of federal health care reform. Our role is to implement and enforce these changes in Oregon. We are trying to keep our website updated and communicate changes to you through the website and through this quarterly newsletter. Additionally, I often speak at producer gatherings. I also post a monthly administrator's message on our website with more division updates: www.insurance.oregon.gov/about_us/administrators-message.html. ●

Producer licensing

By Jim Thompson, producer licensing manager



Electronic renewal notices

The Insurance Division is transitioning to electronic notification of license renewals. We're discontinuing the use of paper renewal coupons and will send licensees an e-mail reminder that the license is due for renewal with instructions on how to renew this license. In order for this change to be successful, it is important that

you keep the division informed of your current e-mail address.

The division expects to save nearly \$12,000 annually in postage with this change. The e-mail reminders to renew licenses are just one of the efforts under way to reduce paper and shorten the timelines for license processing.

We encourage agents to complete their renewal application electronically through the National Insurance Producer Registry (NIPR), a nonprofit affiliate of the National Association of Insurance Commissioners. Although agents still must submit evidence that they completed continuing education requirements to the division, the division is seeking scanned copies of these documents. CE certificates should be faxed to 503-378-4351 or e-mailed to web.insagent@state.or.us.

Use of consultant

Recently, we have received inquiries about the use of the term *insurance consultant*, or *insurance advisor*. ORS 744.605 requires that a person acting as an insurance consultant, or using the term insurance consultant, advisor, or any similar title or designation must hold an active insurance consultant's license with the Insurance Division. To obtain an insurance consultant license, an agent must:

- » Submit the *Individual Insurance License* application Form 3000, along with the required fees.
- » Have at least five years experience in the class of insurance he or she wishes to act as a consultant for, or the educational equivalent.
- » Maintain E&O coverage of at least \$500,000.

Streamlined resident license application process starts Jan. 1, 2011

We are changing the order of the resident license application process so that producer applicants take required exams before submitting an application to the division.

Currently, resident applicants schedule and take a licensing exam only after they submit the application, fingerprint card, and background check request form to the division. The division reviews and approves the application, and then notifies the applicant and the exam vendor that the applicant is approved to take the exam.

Beginning Jan. 1, 2011 resident applicants will first schedule an appointment with the exam vendor to take the exam. Once they pass the exam, applicants will be able to submit fingerprints and their license application directly *from the testing facility*.

Any application materials received after Dec. 31, 2010, that do not have passing exam scores will not be processed.

Quality of fingerprints for background checks

One of the main reasons we encounter delays in processing license applications is poor quality of fingerprints received for background checks. When the Oregon State Police and FBI systems are unable to read the prints, we have to go back to the applicant to request another set of fingerprints. Ensuring the prints submitted are legible when the application is initially submitted will help streamline this process.

Exam vendor update

A new exam vendor, PSI, has been selected. The new contract requires the vendor to offer digital fingerprinting at each Oregon testing site. This service should help reduce the number of applications delayed due to poor fingerprint quality.

Continued on next page

Producer licensing, *continued from previous page*

Oregon adopts NAIC guidelines for on-line CE

Oregon has adopted the following National Association of Insurance Commissioners' (NAIC) **Recommended Guidelines for Online Courses**. The division uses these guidelines, plus standards outlined in Oregon Administrative Rule 836-071-0225, in approving online continuing education (CE) course submissions.

- » Require each agent to enroll for the course before having access to course material.
- » Prevent access to the course exam before review of the course materials.
- » Prevent downloading of any course exam.
- » Provide review questions at the end of each unit/chapter and prevent access to the final exam until each set of questions is answered at a 70 percent rate.
- » Provide final exam questions that do not duplicate unit/chapter questions.
- » Prevent alternately accessing course materials and course exams.
- » Have monitor affidavit containing specific monitor duties and responsibilities printed for monitor's use to direct the taking of the final exam. Monitor will complete the affidavit after the exam is completed.

All continuing education course providers are strongly encouraged to adhere to these guidelines. ●

Administrative rules and bulletins

Visit our website to find links to these recently adopted rules and all rules: http://insurance.oregon.gov/rules/recent_admin_rules.html.

- Amends rules to add title insurance claims settlement communications standards (ID 16-2010): Applies minimum standards for claims settlement practices to title insurance. Modifies claim communications requirements in certain title insurance cases.
Effective: Aug. 19, 2010
- Amends rules to modify requirements for reporting on health insurers' external grievance and appeals processes (ID 15-2010): Corrects Insurance Division rules to reflect statutory changes made in 2001 and to clarify reporting requirements.
Effective: Aug. 19, 2010
- Amends rules to add standards to determine whether insurer's continued operation may be hazardous to policyholders, creditors or public (ID 14-2010): Adds standards to current rules to determine whether the continued operation of an insurer may be hazardous. Adds options for corrective action that the DCBS director may require of an insurer.
Effective: Aug. 19, 2010
- Replaces temporary rules involving waiver of 95 percent retention rate requirement for association health plans (ID 13-2010): This permanent rule creates the process and criteria the DCBS director will use to consider requests to waive the 95 percent retention rate requirements of ORS 743.734. It replaces temporary rules adopted April 22, 2010.
Effective: July 28, 2010
- Adopts and repeals rules relating to state program for continuation of health benefit plans (ID 12-2010): These rules enact permanent provisions establishing notice insurers must provide to individuals eligible for federal subsidies, revises the dates of eligibility for the program, and establishes eligibility requirements to maximize the benefit to Oregonians.
Effective: June 11, 2010

2010 Bulletins

This bulletin and past bulletins can be found at <http://insurance.oregon.gov/bulletins.html>

- 2010-03: Use of a fraud or misstatement warning. This bulletin provides guidance on acceptable fraud or misstatement warnings that appear on certain insurance documents such as applications, claim forms, and claim payments. ●

Consumer advocacy

By Ron Fredrickson, CPCU, CLU, ChFC, Consumer Advocacy manager



Ron Fredrickson

Most insurance professionals think of the consumer advocacy team as a complaint handling unit, and that is a big part of what we do, but we're also on the phone each day, answering questions, explaining processes and coaching consumers as they work through their difficulties with insurance companies and agents.

If you were to walk through the advocacy unit, you might hear Sara James explaining how total losses are settled and how to deal with the insurance company, Dennis Kuckartz explaining annuity surrender charges, Tracie Weeder explaining a homeowner's insurance rate increase, Gail Gage discussing a personal injury protection claim, Lisa White and Sue Lefferts talking about a consumer struggling with her health insurance claim and how we might be able to best help her, Lorna White explaining a recent change in coverage for a health carrier, and Kristi Hoy-Brown coaching a caller through an electronic complaint form.

We handle about 16,000 calls a year, and we also respond to about 1,300 e-mails. Most of the calls and e-mails do not become complaints. In fact, many of the calls deal with things like COBRA or health insurance reform over which the division does not have jurisdiction. We do our best to help every consumer or to get him or her in touch with someone who can help them.

The eight advocates named above are experienced insurance professionals with backgrounds in agency, claims, and underwriting. Many of the advocates have more than 20 years in industry and industry regulation and are uniquely qualified to help consumers navigate through the sometimes complex issues that they bring to our attention. We have advocates with professional designations, graduate degrees, and a thorough knowledge of how insurance companies operate and make decisions. Advocates also have access to other insurance professionals here at the division when questions come up regarding rates, forms, licensing, or the financial stability of insurance companies.

An inquiry becomes a complaint when we have to contact the insurance company or agent for information. We handle about 4,000 complaints a year. The most common complaints involve delay, denial, or lack of communication. Car insurance generates the most complaints, but health insurance is rapidly closing in.

Prior to coming to the Insurance Division, I worked for a major carrier for 36 years primarily in claims and claims management. Believe me, it did not make my day to receive a complaint from the Insurance Division. Now, having been involved in the process from both the industry and the regulatory side, let me suggest a few ways to make the process better for you and for the consumer.

Answer the complaint promptly. The law allows for 21 days, but we still occasionally get calls asking for more time. While we appreciate the heads up, there is no provision in the law for more time.

- » Answer the complaint completely. If all issues are not addressed, we're going to follow up and ask for more information.
- » Provide all documentation requested.
- » If we write to an agent and a company, we need a response from both.

We're trying to determine whether the consumer was treated fairly, consistent with the law, the terms of the insurance contract, and best practices. A prompt, thorough response is in the best interests of the company, the agent, and the consumer.

So far this year, Oregon consumers received almost \$1.5 million in benefits through our efforts. We also make referrals to the Market Surveillance Unit and the Investigations Unit. These referrals have resulted in recoveries as well as changes in company practices.

One of our challenges is lack of consumer awareness. Most people are surprised there is a free service available to help them with insurance issues. We encourage agents and companies to make our contact information available to their customers. We speak "insurance," and we can translate for those who do not.

Another challenge is unrealistic expectations. Sometimes consumers would like us to determine liability or damages, compel an insurance company to pay for something that is not covered by the policy, or magically cause rates to go down. We explain what we can and can't do, and what options are available.

The Consumer Advocacy Unit's goal is to ensure consumers are treated fairly and are getting the value of the premiums they pay. Please call if you have questions, or if you have a client that needs our help. Our toll-free line is 888-877-4894, or in the Salem area, 503-947-7984. ●

Other state programs

Oregon Medical Insurance Pool

The state high-risk pool operates state and federal programs for those who can't buy commercial insurance due to health conditions. One application works for both programs: <http://www.omip.state.or.us>.



FHIAP group is enrolling

By Kimberly Mounts, Office of Private Health Partnerships

This Oregon premium subsidy program has openings in the group market for people who get insurance through an employer but cannot afford their share of the costs: www.oregon.gov/OPHP.



Healthy Kids covers all uninsured Oregon children

Many Oregon families are struggling to make ends meet in this difficult economy. Finding affordable,



comprehensive health coverage for their children no longer needs to add to those worries. Healthy Kids is Oregon's newly expanded health coverage program for uninsured Oregon children.

Healthy Kids provides free or low-cost health care coverage for Oregon children and teens (up to age 19) who don't have health insurance. Even kids with current health conditions can enroll. Coverage lasts at least one full year and can be extended as long as the child is still eligible. No family earns too much to qualify for Healthy Kids, but a family's income determines which of the three coverage options children may enroll in: no-cost, low-cost, or full-cost. For example, a family of four that earns as much as \$66,000 a year may qualify for low-cost coverage – paying on average about \$50 per month to cover their kids.

All health needs are covered, including doctor visits, dental care, vision, mental or behavioral health services, and prescriptions. Children will not be turned away due to pre-existing conditions or put on a waiting list.

There are many ways you can work with the Office of Healthy Kids to ensure that every Oregon child has access to health care. The Application Assistance program is one way to partner with us. Sign up to become a certified Application Assister, and you'll receive \$75 for every application you help a family fill out that results in at least one child enrolling in Healthy Kids.

We know that when children are healthy, they are equipped with the tools they need to succeed well into adulthood. Talk to the families you know about Healthy Kids. Families can apply for the program online or find local community partners to assist in the application process on the website at OregonHealthyKids.gov. You can also find out how to become an Application Assister on our website (just click on the "Partner with Us" link). Families can also get more information by calling: 1-877-314-5678. And don't forget to friend us on [Facebook](#) and follow us on [Twitter](#), too!

Senior Health Insurance Benefits Assistance (Medicare help)

This state-run counseling program anticipates an extremely busy Medicare Annual Enrollment Period this year from Nov. 15 through Dec. 31. Here's why:



People who want to join or switch Medicare Advantage plans will only have this period (Nov. 15 to Dec. 31) to do so; they will no longer have an Open Enrollment Period from Jan. 1 through March 31 as they have in the past. There will, however, be a Jan. 1 to Feb. 14 **Medicare Advantage Disenrollment Period**. People with a Medicare Advantage plan can disenroll from it and return to Original Medicare and enroll in a stand-alone prescription drug plan.

At least several Medicare Advantage Private Fee for Service (PFFS) plans do not plan to renew in Oregon and almost certainly some prescription drug plans in Oregon will non-renew. We don't have details yet but will post information on our [website](#). Plan enrollees must receive the non-renewal letter by Oct. 2.

Meanwhile, Medicare beneficiaries should receive their *Annual Notice Of Change* letters by Oct. 31 and some will seek help in exploring their best coverage options.

Continued on next page

The SHIBA staff is busy working on updates to its annual *Oregon Guide to Medigap, Medicare Advantage & Prescription Drug Plans* so that you will have the lineup for 2011. The guide should be available online by late October. Contact the SHIBA helpline if you have Medicare related questions or if you have a client that needs our help. The toll-free line is 1-800-722-4134. In the Salem area, call 503-947-7979.

Other Medicare news

Since the new standardized Medicare Supplement plans were introduced in June, the Oregon Insurance Division has heard consumers' concerns about how the change affects the rates for the older, closed blocks of business. We require insurers to pool the experience of the older standardized plans with the new plans to protect the closed blocks from escalating rates as the policies age and the number of insured declines. ●

Staying out of trouble

By Dale White, chief investigator

Unsuitable annuity sales and failure to pay child support were among the key reasons the Insurance Division recently suspended or revoked a number of agent licenses. While most insurance agents are hard working, ethical, and follow the laws and rules, we thought we would offer some reminders of key problem areas and how to stay out of trouble.

For example, one of the division's priorities is guarding against sales of unsuitable annuities to Oregon's seniors. During the past three years, the division took action against 14 agents who made unsuitable sales.

One of the common themes to these unsuitable sales is that the agents do not conduct a "reasonable inquiry" into all of the relevant circumstances of the consumer. These circumstances include age, health, financial risk tolerance, financial assets, financial liabilities, investment sophistication, and liquidity.

Once a "reasonable inquiry" is made, the agent then has to make a "reasonable recommendation" that the annuity or life insurance policy is a fit for the consumer.

The division recently participated in two administrative law hearings where resident agents disputed the allegations against them. The administrative law judges, after hearing the evidence from the division and the agents, found that the division had grounds to suspend the license of one agent and revoke the license of the other.

The decisions were based on the agents not conducting "reasonable" inquiries. In one instance, the agent did not know all the features of the annuity product that was being sold. In the other, the agent asserted that the insurer trained the agent and the agent only did what the company had trained the agent to do. The administrative law judge found that the individual agent had some personal responsibility to do the right thing, according to the laws and rules of the state.

The division continues to investigate agents for other violations, such as failure to truthfully answer the questions on an application for a producer's license, failure to notify the Department of Consumer and Business Services director of an administrative action or a criminal conviction taken against a producer, misappropriating premium money, and failure to respond to a director's inquiry. You can find a complete list of enforcement actions taken against agents at http://insurance.oregon.gov/admin_actions/actions_2010/producer_actions.html.

Meanwhile, agents should always act ethically and with the highest integrity during contacts with consumers. Here are some of the specific ways Oregon law addresses this:

- » **Fraud/incompetence.** Agents should not use fraud or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in conduct of business. ORS 744.074 (1) (h), examples;

Continued on next page

Staying out of trouble, *continued from previous page*

1. An agent cannot manipulate or omit information or product information for anything other than what it truly represents.
 2. An agent must not employ any tactic that may lead a reasonable person to feel coerced or forced to purchase an insurance product.
 3. An agent must display financial responsibility when dealing with other people's money.
- » **Misappropriation.** Agents cannot keep premiums too long or use them for the wrong purpose (e.g., illegal withholding or misappropriation). ORS 744.074 (1) (d):
 - Agent shall deposit premium funds no later than the seventh day after they are received.
 - Agent shall pay premium funds owed to an insured no later than the 30th day after receipt of the funds.
 - Agent shall convert cash into a guaranteed negotiable instrument within 72 hours of receipt.
 - » **Misrepresentation.** An agent cannot intentionally misrepresent the terms of an actual or proposed insurance contract or an insurance application. ORS 744.074 (1) (e)
 - » **Trust Accounts.** Agents must deposit and keep insurance premiums in a separate financial account. The agent must keep adequate records of trust accounts. ORS 744.083
 - » **Suitability.** Agents must satisfy two elements required by OAR 836-080-0090. Agents must make a "reasonable inquiry" into such things as the consumer's age, health, financial objectives, financial liabilities and assets, risk tolerance, and liquidity. Agents must then make a "reasonable recommendation" to the consumer that the annuity or life insurance policy is a fit.
 - » **Transacting insurance while unlicensed and/or not appointed with an insurer.** ORS 744.053.
 - » **Failure to respond or incompletely responding to a director's inquiry.** Agents must promptly and truthfully respond to an inquiry from the Insurance Division. ORS 731.296
 - » **Falsehoods.** No person shall make any false, deceptive, or misleading statements with respect to the business of insurance or any person in the conduct of business that is untrue, deceptive, or misleading. ORS 746.110
 - » **Other states' administrative actions.** An agent shall report any administrative action taken against the agent no later than the 30th day after the date of the final order. ORS 744.089
 - In another jurisdiction or by
 - Any other governmental agency in this state
 - » **Child support.** An agent must pay any and all required child support or risk suspension of his/her Oregon producer license. ORS 25.750 et seq. ●

What's new on the website?

Our 2010 Consumer Guide for Oregon Insurance Complaints (using 2009 complaint data):
<http://insurance.oregon.gov/publications/consumer/2311-09.pdf>

A consumer life insurance tip sheet on Retained Asset Accounts:
http://insurance.oregon.gov/consumer/consumer-tips/4845-17_retained-assetaccounts.pdf



This button takes you to the federal website where you can find a list of insurers offering health insurance in Oregon by zip code.

Enforcement actions

This **Regulator** lists key orders from June 2010 through August 2010. Additional orders are posted at: http://insurance.oregon.gov/admin_actions/adminact.html

Insurance companies

Marketplace orders

Bankers Life and Casualty Company

Carmel, Ind.

Violation: Violated order of DCBS director by failing to review certain annuity applications a second time to ensure suitability for clients.

Penalty: \$25,000

Date of Order: 6/24/2010

Conseco Life Insurance Co. et al

Carmel, Ind.

Violation: Insurance regulators from multiple states allege violations in the sale, administration, and management of Lifetrend whole life insurance policies.

Penalty: \$1 million to states that signed the settlement agreement; required reporting and monitoring of Lifetrend policies; variety of compensation to policyholders (added policy benefits, reinstatement of certain surrendered policies, some refunds).

Date of Order: 6/28/2010

Financial Orders/Suspensions

National States Insurance Company

St. Louis

Date of Order: 06/15/2010

Pegasus Insurance Company, Inc.

Oklahoma City

Date of Order: 08/11/2010

Other orders

Failed to timely increase special Workers' Compensation deposit/penalty

Dallas National Insurance Company

Dallas, Texas

Penalty: \$600

Explorer Insurance Company

San Diego

Penalty: \$700

Maiden Reinsurance Company

Mt. Laurel, N.J.

Penalty: \$400

National American Insurance Company of California

Long Beach, Calif.

Penalty: \$800

Order Extending Supervision

Preferred Health Plan, Inc.

Date of Order: 08/19/2010

Producers

American Trade Association Inc., American Trade Association LLC, Smart Data Solutions LLC, and Serve America Assurance Ltd.

Springfield, Tenn.

Violation: Transacted insurance in Oregon without a license.

Penalty: Cease and desist

Date of Order: 07/20/2010

Averill, Colleen A

Beaverton, Ore.

Violation: Multiple convictions for theft and forgery, both felonies involving dishonesty or breach of trust.

Penalty: Oregon resident individual insurance producer license revoked. Averill agrees to never reapply for license or work for another insurance producer.

Date of Order: 08/18/2010

Baek, Michelle L.

Vancouver, Wash.

Violation: Made unsuitable recommendation in an annuity transaction. Failed to notify DCBS director of a business address change.

Penalty: Oregon nonresident insurance producer license suspended for 30 days, from July 14, to Aug. 13, 2010

Date of Order: 07/15/2010

Bauer, Richard A. and Executive Financial Insurance & Leasing Co.

Salem/Keizer, Ore.

Violation: Misappropriated money by accepting funds to pay insurance premiums but failing to purchase the insurance; misrepresented to a premium finance company that policies had been issued and that proceeds of the loan would be owed to the insurer; and transferred premium money from his trust account to his business operating or personal account. Executive Financial knew about Bauer's misconduct but did not correct it or report it to the DCBS director.

Continued on next page

Enforcement actions, *continued from previous page*

Penalty: Bauer's expired Oregon resident individual producer license revoked. Executive Financial's expired Oregon resident business entity insurance producer license revoked. Each agrees not to reapply for an insurance license and Bauer agrees not to work in the industry.

Date of Order: 06/24/2010

Emter, Mark J.

Woodland, Wash.

Violation: Failed to respond to DCBS director's inquiry into alleged misrepresentations involving sales of life insurance policies.

Penalty: Oregon nonresident individual insurance producer license revoked.

Date of Order: 07/01/2010

Hardesty, James E.

Taylors, S.C.

Violation: Failed to respond to the DCBS director's inquiry into another state's investigation involving failure to remit premiums. Nonresident individual insurance producer license revoked by Michigan and resident individual producer license revoked by South Carolina.

Penalty: Oregon nonresident individual producer license revoked.

Date of Order: 06/14/2010

MacLaren-Beattie, Brenda L.

Des Moines, Wash.

Violation: Collected at least \$135,225 worth of insurance premiums from 18 oral and maxillofacial surgeons in Oregon but failed to provide insurance; was dishonest in issuing a variety of documents, suggesting that policies were or would be issued. Failed to report that Washington insurance regulators in September 2009 ordered her to stop selling insurance or holding herself out to be an insurance agent in Washington.

Penalty: Oregon nonresident insurance producer license revoked. MacLaren-Beattie agrees not to reapply for an insurance license or work in the industry.

Date of Order: 06/29/2010

Momberger, M. Linda dba Jack Barber Insurance

Aloha, Ore.

Violation: The business received \$800 in premium money to renew a liability insurance policy but neglected to purchase the insurance, then didn't inform the client that it did not have liability insurance for a period and later forged the client's signature on a new liability policy.

Penalty: Oregon resident business entity insurance producer license revoked.

Date of Order: 07/15/2010

Nelson, Stephanie M.

Portland, Ore.

Violation: Made unsuitable recommendation in annuity transaction.

Penalty: Oregon resident individual producer license suspended for 30 days, from Sept. 1, to Sept. 30, 2010. Fined \$2,848.

Date of Order: 08/12/2010

Pelzner, Adam M.

Portland, Ore.

Violation: Made unsuitable recommendation in annuity transactions.

Penalty: Oregon resident individual producer license suspended for 30 days, from Nov. 1, to Nov. 30, 2010.

Date of Order: 08/16/2010

Prentice Jr., Douglas J.

Gresham, Ore.

Violation: In arrears for child support obligation.

Penalty: Oregon resident individual producer license suspended.

Date of Order: 08/18/2010

Rexroat-Craig miles, Melissa G.

Clarksville, Ind.

Violation: Failed to respond to DCBS director's inquiry into cancellation of Indiana resident individual insurance producer license.

Penalty: Oregon nonresident individual producer license revoked.

Date of Order: 06/09/2010

South, Gary D.

Vancouver, Wash.

Violation: Made unsuitable recommendation in annuity transactions.

Penalty: Oregon resident individual producer license suspended for 90 days, from June 1, to Aug. 30, 2010.

Date of Order: 06/07/2010. ●

Recent rate activity

TOP 10 OREGON HOMEOWNERS INSURERS BASED ON PREMIUM Domicile, Direct Premium Written, Market Share, Recent Rate Activity

	NAME OF COMPANY	DOM	2009 DIRECT PREMIUM WRITTEN	MARKET SHARE	RATE EFFECTIVE DATE		
					ACTIVITY	New	Renewal
1	State Farm Fire And Cas Co	IL	157,126,280	25.71%	2.8%	08/15/10	10/01/10
2	Farmers Ins Co of OR	OR	64,018,245	10.48%	4.6%	03/16/10	03/16/10
3	Safeco Ins Co of OR	OR	37,792,812	6.18%	3.9%	07/10/10	09/01/10
4	Farmers Ins Exch	CA	26,008,522	4.26%	3.0%	03/16/10	03/16/10
5	Country Mut Ins Co	IL	25,089,411	4.11%	2.1%	09/7/09	09/7/09
6	Allstate Ins Co	IL	23,517,837	3.85%	0.0%	n.a. (1)	n.a. (1)
7	American Family Mut Ins Co	WI	22,559,297	3.69%	9.8%	10/1/10	10/1/10
8	Foremost Signature Ins Co	MI	19,093,598	3.12%	0.0%	n.a. (1)	n.a. (1)
9	Allstate Ind Co	IL	17,521,198	2.87%	15.2%	11/2/09 (2)	12/17/09
10	Allstate Prop & Cas Ins Co	IL	16,692,888	2.73%	0.0%	n.a. (1)	n.a. (1)
	TOP 10		409,420,088	67.0%	3.7%		
	TOTAL 118 COMPANIES		611,109,760				

Premiums includes renters, condos, manufactured homes, and coverages such as boats, golf carts, and jewelry.

*Insurer rankings based on 2009 direct premium written.

- (1) Company has not filed an overall rate change in the past 12 months.
- (2) As April 1, 2006 new business is written only in Allstate Property and Casualty Insurance Company and Allstate Fire and Casualty Insurance Company.

TOP 10 OREGON AUTOMOBILE INSURERS BASED ON PREMIUM Domicile, Direct Premium Written, Market Share, Recent Rate Activity

	NAME OF COMPANY	DOM	2009 DIRECT PREMIUM WRITTEN	MARKET SHARE	RATE EFFECTIVE DATE		
					ACTIVITY	New	Renewal
1	State Farm Mut Auto Ins Co	IL	359,838,605	18.04%	2.1%	01/01/10	01/1/10
2	Farmers Ins Co Of OR	OR	257,845,246	12.92%	0.0%	n.a. (1)	n.a. (1)
3	Safeco Ins Co of OR	OR	118,567,841	5.94%	0.0%	n.a. (1)	n.a. (1)
4	Progressive Classic Ins Co	WI	90,025,624	4.51%	2.7%	02/05/10	04/06/10
5	Progressive Universal Ins Co	WI	89,535,936	4.49%	0.4%	03/05/10	05/04/10
6	American Family Mut Ins Co	WI	72,381,789	3.63%	1.7%	10/01/09	10/01/09
7	Allstate Ins Co	IL	63,208,573	3.17%	0.0%	n.a. (2)	n.a. (1)
8	Geico Gen Ins Co	MD	55,560,804	2.78%	4.1%	05/14/09	07/02/09
9	Allstate Fire & Cas Ins Co	IL	45,738,012	2.29%	-2.1%	06/21/10(3)	07/26/10(3)
10	Allstate Prop & Cas Ins Co	IL	42,345,106	2.12%	0.0%	n.a. (1)	n.a. (1)
	TOP 10		1,195,047,536	59.9%	1.1%		
	TOTAL 176 COMPANIES		1,995,067,844				

Premium includes motorcycle, light trucks, recreational vehicles, and motor home coverage.

Rate activity is for personal automobile insurance.

- † Insurer rankings based on 2009 direct premium written
- (1) Company has not filed a rate change in the last 12 months.
 - (2) As of April 1, 2006 new business is written only in Allstate Property and Casualty and Allstate Fire and Casualty Insurance Company
 - (3) Insurer filed previously for a 4.3% increase effective Feb. 15, 2010

Oregon Insurance Division
Compiled May 12, 2010

Key contacts

Oregon Insurance Division

Administration

Information503-947-7980
Fax 503-378-4351
E-mail.....dcbs.inmail@state.or.us
Administrator..... Teresa Miller
Consumer Liaison.....Rachel Oh

Market Regulation

Information503-947-7980

- Administrative Services503-947-7222
Manager Margarita Nuñez
- Consumer Advocacy503-947-7984
Manager Ron Fredrickson
- Producer Licensing.....503-947-7981
Manager Jim Thompson
- Market Surveillance 503-947-7242
ManagerMike Lydon
- Rates & Forms
Information.....503-947-7983
ManagerRhonda Saunders-Ricks

Financial Regulation

Information503-947-7982
Manager..... Russell Latham
Assistant Manager Annette Boyce

Employment opportunities

Margarita Nuñez503-947-7222

Other agencies

Oregon Health Plan

800-359-9517

State Portability Option

Oregon Medical Insurance Pool

(Administered by Regence BlueCross
BlueShield)
800-848-7280

COBRA/ERISA/HIPAA questions

U.S. Department of Labor
866-275-7922

Senior Health Insurance Benefits Assistance (SHIBA)

800-722-4134
503-947-7979

Workers' Compensation Division

General information
503-947-7810

Department of Consumer and Business Services website

www.oregon.gov/DCBS

Oregon government website

www.oregon.gov

The **Oregon Insurance Regulator** is published by the Oregon Insurance Division of the Department of Consumer and Business Services.

P.O. Box 14480
Salem, OR 97309-0405

Insurance Division Administrator: Teresa Miller

Editors: Cheryl Martinis and Mark Peterson

Design: Shonnie Emerson

The materials published in this newsletter are in the public domain and may be reprinted without permission. In compliance with the Americans with Disabilities Act (ADA), this publication is available in alternative formats. Call 503-947-7980.

