

## New Market Analysis Unit helps identify, quickly respond to problems in the insurance industry

After the Consumer Advocacy Unit alerted him to complaints about claims delays by an insurer, **Ed Lanssens** starting looking into the problem.

Lanssens, a member of the Insurance Division's new Market Analysis Unit, did some research on the insurer and then invited its CEO and claims vice president to come to Salem to go over Oregon's requirements. The company improved its claims processing and the number of complaints decreased.

"This is a good example of how market analysis can help us identify and respond to problems," says **Jann**

**Goodpaster**, manager of the Consumer Protection Section. "It really complements our market conduct program, allowing us to get a handle on what's happening in the industry, and to address problems quickly."

Lanssens specializes in property and casualty insurance, while his partner, **Douglas Beck**, monitors life and health insurance. They analyze current market information and historical data to identify significant insurance industry events, trends and patterns.

The Market Analysis Unit's goals include:

- Identifying and monitoring market problems as early as possible.
- Assisting with coordination of the division's internal market regulation functions, including consumer protection, company regulation, and rates and forms.

- Facilitating development of an integrated system of proportional responses to market problems.

- Providing a framework for collaboration among state and federal regulators.

The analysts study changes in market dynamics. They also keep a watchful eye on how insurers are complying with current laws and rules, and how they are implementing new regulations.

Beck and Lanssens monitor the complaint records of the top 10 insurers in Oregon in life, health, property and casualty insurance, plus all of the state's domestic insurers. Additional companies are added to the list if specific concerns have been raised.

Market analysis isn't limited to complaints. The analysts also monitor key

*Market analysis "complements our market conduct program . . . and allows us to address problems quickly."*

**Jann Goodpaster**  
Consumer Protection  
Manager

### Number of insurers using SERFF jumps

More insurers are making rate and form filings electronically.

"We're pleased to see more companies taking advantage of the System for Electronic Rate and Form Filings (SERFF), said **Carl Lundberg**, manager of the Rates and Forms Section.

In 2001, the Insurance Division received 29 filings through SERFF. That compares with the 50 SERFF filings the division received during the first four months of 2002.

"SERFF really benefits participating insurers because we give SERFF filings priority," Lundberg said. "It's more efficient to file electronically, and our turnaround time is significantly less than for paper filings."

Lundberg said the disposition time for SERFF filings averaged 18 days for the first four months of 2002.

SERFF can be used for filings for all insurance products.

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### Veteran employee juggles a variety of duties

When **Sandy Ditrich** graduated from college with a degree in corrections, she couldn't find a job in her field. Needing a steady paycheck, she accepted a clerical position with the Oregon Insurance Division.



That was more than 28 years ago. During her almost three decades with the agency, she has held a number of increasingly-responsible positions. She's proud of her achievements, especially since women were limited to mostly clerical roles when she first joined the agency.

"Sandy's extensive knowledge of surplus lines has been invaluable to the division," says Oregon Insurance Administrator **Joel Ario**.

Please see DITTRICH, Page 6

## AGENT LICENSING

### Here's how you can help make renewal process smoother

Renewal notices are mailed approximately 60 days prior to an agent's license expiration date. Agents who haven't received their renewal notice within 30 days of their license expiration date should call the Agent Licensing Unit, (503) 947-7981, to request a duplicate copy. If your license expires, you will owe an additional \$45 penalty fee, and your appointments and affiliations will terminate.

If you haven't received a renewal notice because of an outdated address, you'll need to provide your updated address and telephone number when you request a duplicate renewal notice. You may send your request to us by:

- Mail — Agent Licensing Unit, Oregon Insurance Division, 350 Winter St. NE, Salem, OR 97301-3883
- Fax — (503) 378-4351
- E-mail — [web.insagent@state.or.us](mailto:web.insagent@state.or.us)

Please do not mail AND fax renewal coupons to us. We're ending up with duplicate renewal requests, as well as double charges on credit cards.

Also, in order to make the renewal process more efficient, please send in your renewal request along with your fees, plus any continuing education certificates, if applicable. We're receiving some renewal requests one piece at a time. This causes delays when we try to match fees with continuing education certificates or other paperwork. Resident agents can avoid another delay by signing their renewal coupon as requested on the bottom of the page.

Letters of certification are still required for those non-residents whose home state is not participating in the Producer Data Base (PDB). As of this writing, those states not participating are Alabama, Delaware, Idaho, Kentucky, New Mexico, Rhode Island, Tennessee, and Vermont.

#### New licensing bulletin

A new licensing bulletin will be available this June for exams to be taken July 1, 2002, and after. The bulletin will contain revised individual and agency license applications.

#### Changes in classes of insurance

Legislation passed in the last session changed several license classes:

- **Variable life** — This new class includes variable annuities as well as variable life insurance products. New applicants for variable life are required to pass the National Association of Securities Dealers exam 6 or 7 and be registered with an Oregon securities dealer.

We will verify that agents have obtained the Oregon securities registration at renewal time. If you don't meet the qualifications, your variable life class won't be renewed. There will be no "grandfathering" of this requirement. New licenses won't be sent out until renewal time.

- **Property and casualty** — By mid-July 2002, all currently active general lines licenses will be changed to reflect the classes of property and casualty insurance. New licenses won't be sent out until renewal time.

#### New agency license requirement

Oregon law now requires a business entity to designate a licensed agent who will be responsible for the agency's compliance with all insurance laws and regulations. After July 1, 2002, all agency applications submitted will need to list a "designated responsible licensed producer." Our new license application will include a place to list this person.

#### Felony convictions

The 2001 Oregon Legislature gave the Insurance Division authority to determine whether individuals should be allowed to participate in the business of insurance if they have been convicted of a felony involving dishonesty or breach of trust. Anyone with a felony conviction of this type is violating federal law unless he or she has received written consent from the division to work in the insurance business. This includes agents, agency employees, agency owners, officers and directors, and insurance company employees.

The division has established stringent standards that must be met before consent will be granted.

The federal law did not provide for any grandfathering of currently licensed agents. Any person who requires written consent should contact the Agent Licensing Unit for more information.

#### Social security numbers

Federal law requires the division to collect social security numbers for child support, tax, and identification purposes. This requirement is explained on our new agent license application form.

The new application also includes a voluntary disclosure statement that agents can sign if they agree to let the Insurance Division share information with the National Insurance Producer Registry, a national database that allows applicants to be licensed simultaneously in other states.

#### Continuing education courses

There are about 500 continuing education providers registered in Oregon. Providers should allow 45-90 days for new courses to be approved. Agents applying for continuing education credit of an unregistered course need to have their course submitted within 90 days of the date for the course to qualify for credit. Contact the Agent Licensing Unit, (503) 947-7981, for more details.

*Margarita Nuñez is manager of the Agent Licensing Unit.*

# INSURANCE ADMINISTRATOR'S COLUMN

## Market analysis helps identify, address industry problems

As the story on Page 1 indicates, our new Market Analysis Unit is showing positive results. By monitoring market trends and collaborating with other regulators, the analysts are able to identify problems and quickly take corrective action. Market analysis complements our market conduct program and gives us another tool to protect the insurance-buying public.



### Committees play key roles

The Insurance Division is continuing its efforts to involve stakeholders in key policy-making decisions. I've appointed several special advisory committees to review key insurance issues and make recommendations. These include:

- Advisory Committee on Privacy of Medical Records and Information
- Credit Scoring Advisory Committee
- Patient Protection Advisory Committee
- Health Insurance Reform Advisory Committee (HIRAC)

In addition, the Insurance Division Advisory Committee is a standing committee that serves as a formal vehicle for information sharing and discussion between the division and its stakeholders on key issues in insurance regulation.

To learn more about these advisory committees, please check our Web site: [oregoninsurance.org](http://oregoninsurance.org).

### States, NAIC look at credit scoring

Oregon and many other states are taking a careful look at the use of credit scoring by auto and homeowner insurers. A number of states have passed legislation limiting the practice.

At the national level, I'm co-chairing an NAIC working group on credit scoring. Our goal is to assist states by identifying best practices and addressing some actuarial and legal questions associated with credit scoring. We hope to report our findings at the NAIC's 2002 Winter National Meeting in December.

### New laws affect health insurers

Insurers providing health benefit plans must meet several new requirements as a result of measures passed by the 2001 Oregon Legislature. Two of these new laws are summarized on Page 5 of this issue of the *Oregon Insurance Regulator*. The prompt pay legislation requires health insurers to pay "clean claims" within 30 days or face interest penalties. A separate law requires insurers to provide an external review program.

We also are working closely with the Insurance Pool Governing Board to address affordability problems in the small group health insurance market by providing innovative new low cost products.

Joel Ario  
Insurance Administrator

## KEY CONTACTS

### Oregon Insurance Division

#### Administration

Information ..... (503) 947-7980  
 Fax ..... (503) 378-4351  
 E-mail ..... [dcbs.insmail@state.or.us](mailto:dcbs.insmail@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  
 Manager ..... Jann Goodpaster

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

• **Investigations** ..... (503) 947-7219  
 Manager ..... Cindy Jones

#### Company Regulation

Information ..... (503) 947-7982  
 Manager ..... Charles Nicoloff

#### 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

### Insurers fined for use of race-based premiums

Life Insurance Co. of Georgia and Southland Life Insurance Co. were fined \$4 million in February following a multi-state market conduct examination into allegedly unfair underwriting and pricing practices, including use of race-based premiums.

The fine was allocated to each participating state based on the percentage of the total affected policies issued to the state's residents. Of the approximately 2.5 million affected policies, only 18 were issued to Oregon residents. As a result, the minimum fine of \$1,000 was allocated to Oregon.

### New admissions — Insurers

#### American Physicians Assurance Corp.

East Lansing, MI • Feb. 19, 2002  
Property, Casualty excl. WC, Marine and Transportation

#### Cherokee Insurance Co.

Port Huron, MI • Dec. 7, 2001  
Property Casualty, excl. WC, Marine and Transportation, Health

#### Educators Mutual Life Insurance Co.

Lancaster, PA • March 26, 2002  
Life, Health

#### Encompass Indemnity Co.

St. Petersburg, FL • Feb. 4, 2002  
Property, Casualty excl. WC, Marine and Transportation

#### First Professionals Insurance Co., Inc.

Jacksonville, FL • Feb. 5, 2002  
Property, Casualty incl. WC

#### Nipponkoa Insurance Co. of America

New York, NY • Dec. 20, 2001  
Property Casualty, incl. WC, Health, Marine and Transportation, Surety

#### Safety First Insurance Co.

St. Louis, MO • Jan. 7, 2002  
Casualty, incl. WC

#### Service Insurance Co.

Bradenton, FL • Dec. 24, 2001  
Property, Casualty, incl. WC, Marine and Transportation, Surety

#### Sumitomo Marine & Fire Insurance Co. of America

New York, NY • Sept. 28, 2001  
Property, Casualty, incl. WC, Health, Marine and Transportation, Surety

#### Triumpher Casualty Co.

Harrisburg, PA • March 7, 2002  
Property, Casualty excl. WC, Marine and Transportation, Surety

#### United Heritage Property & Casualty Co.

Meridian, ID • March 18, 2002  
Property, Casualty excl. WC

### Surrenders of Authority

#### Bankers United Life Assurance Co.

Merged into Life Investors Insurance Co. of America Dec. 31, 2001

#### Condor Insurance Co.

Merged into Far West Insurance Co. Dec. 22, 2000

#### Electric Mutual Benefit Assoc.

Certificate of authority expired July 31, 2001

#### Far West Insurance Co., dba Far West Surety Co.

Certificate of authority expired July 31, 2001

#### Grand Pacific Life Insurance Co., Ltd.

Merged into Sterling Investors Life Insurance Co. Sept. 21, 2001

#### Humana Insurance Co.

Merged into Employers Health Insurance Co. Dec. 31, 2001

#### Lutheran Brotherhood

Merged into Aid Association for Lutherans Jan. 1, 2002

#### NACOLAH Life Insurance Co.

Merged into North American Company

for Life and Health Insurance Jan. 1, 2002

#### Reliance Insurance Co.

Certificate of authority expired April 30, 2001. Receivership opened Dec. 29, 2001

#### Reliant Insurance Co.

Certificate of authority expired April 30, 2001

#### The Manufacturers Life Insurance Co. of North America

Merged into The Manufacturers Life Insurance Co. (USA) Jan. 1, 2002

#### United Presidential Life Insurance Co.

Merged into Conseco Life Insurance Co. Dec. 31, 2001

#### Universal Assurors Life Insurance Co.

Voluntarily withdrew Dec. 31, 2001

### Suspensions

#### Fremont Compensation Insurance Co.

May 28, 2002

#### Fremont Indemnity Co.

May 28, 2002

#### Fremont Pacific Insurance Co.

May 28, 2002

#### Highlands Insurance Co.

May 28, 2002

#### Legion Insurance Co.

April 5, 2002

#### Northwestern National Casualty Co.

May 28, 2002

#### Paula Insurance Co.

March 5, 2002

#### Pennsylvania Casualty Co.

April 5, 2002

#### Villanova Insurance Co.

April 5, 2002

## PERSONNEL

**Carol Simila** was promoted to consumer advocate liaison in the Consumer Protection Section. She had been a field officer for the Senior Health Insurance Benefits Assistance (SHIBA) program.

**Marcia Jones** was promoted to administrative assistant in the Company Section. She had been an office specialist II in the Company Section.

**Kelly Jaskoski** was promoted from office specialist I to office specialist II in the Company Section.

**Diane Stewart** transferred to the Agent Licensing Unit as a licensing coordinator. She had been an administrative assistant in the Company Section.

New employees:

- **Beverly Anderson**, licensing technician, Agent Licensing
- **Doreen Buller**, health analyst, Rates & Forms
- **Carolyn Hancock**, consumer advocate, Consumer Protection

# Health plans must offer external review as of July 1

Beginning July 1, 2002, insurers offering health benefit plans in Oregon must provide an external review program. The new requirement was included in patient protection legislation approved by the 2001 Oregon Legislature.

The Insurance Division adopted a temporary rule April 4 spelling out external review program standards and procedures.

Under such a program, an enrollee may ask an insurer for an independent external review of an adverse decision by the insurer when the decision concerns whether a course or plan of treatment is:

- Medically necessary
- Experimental or investigational
- An active course of treatment for purposes of obtaining continuity of care under ORS 743.854.

Reviews will be performed by independent review organizations (IROs) under contract with the Department of Consumer and Business Services (DCBS). An insurer must bear all costs of its external review program.

An enrollee is eligible for external re-

view only after exhausting the health plan's internal grievance procedures, unless the insurer and enrollee agree to go directly to external review.

After an enrollee requests external review, the insurer sends the request to the Insurance Division, which assigns an independent review organization.

The IRO first determines if the dispute qualifies for external review. If so, it reviews the dispute and issues a written decision based on expert medical judgment after consideration of the enrollee's medical record; the recommendations of each of the enrollee's providers; relevant medical, scientific and cost-effectiveness evidence; and standards of medical practices in the United States.

An IRO has 30 days to issue a decision after the enrollee applies to the insurer for

a review. If the enrollee qualifies for an expedited review, a decision must be issued within three days of the request.

An insurer is required to include in a health benefit plan a statement of whether it will be bound by decisions of an IRO or whether it may challenge IRO decisions in court. If the insurer states it is not bound and doesn't follow a decision by an IRO, the enrollee has the right to sue the insurer. If the insurer states it is bound by decisions of an IRO and doesn't comply, it can be fined up to \$1 million.

**Jann Goodpaster**, manager of the Consumer Protection Section, said the law allows DCBS to contract with up to five IROs.

IROs are required to provide DCBS with synopses of their decisions and an annual report.

## Insurance statistical reports available on Web

A number of statistical reports about insurance in Oregon are available on the Insurance Division's Web site ([oregoninsurance.org](http://oregoninsurance.org)).

The reports, prepared by the Information Management Division of the Department of Consumer and Business Services, include:

- Insurance Agents and Agencies
- Largest 25 Oregon Insurers based on direct premiums in property and casualty, life and health insurance
- Insurance Division Annual Report
- Workers' Compensation Insurance Premium Report
- Workers' Compensation Insurance Premium Rate Ranking Report

To view the reports, click on publications and then statistical reports.

## Insurers face interest penalty for failing to comply with claim payment timelines

Health insurers and health care service contractors face interest charges if they don't pay provider claims within timelines established by the 2001 Oregon Legislature.

ORS 743.866, which became operative Jan. 1, 2002, requires an insurer to pay or deny a "clean claim" not later than 30 days after receiving it. If the insurer needs more information before paying a claim, it must notify the health plan enrollee and the provider in writing, explaining what information is needed. Once the additional information is received, the insurer has 30 days to pay or deny the claim.

An insurer that fails to pay a claim within the timelines must pay simple interest of 12 percent per annum on the unpaid amount of the claim. Interest is due when the claim is paid.

A clean claim is defined by OAR 836-080-0080 as "a claim under a health benefit plan that has no defect, impropriety, lack of any required substantiating documentation or particular circumstance requiring special treatment that prevents timely payment."

Insurers must file an annual compliance report with the Insurance Division beginning March 1, 2003.

**Jann Goodpaster**, manager of the Consumer Protection Section, said the Insurance Division will closely monitor compliance with the prompt payment law. Since the new law became operative, she said the division has received fewer communications from providers, indicating insurers appear to be aware of the law and are taking it seriously.

### Oregon Insurance Code and administrative rules available

Copies of the 2002 Oregon Insurance Code are now available. Cost is \$20 if picked up at the Insurance Division's Salem office or \$25 if mailed.

The code is available in bound or loose-leaf formats. Payment may be made by check, or VISA or MasterCard.

Division administrative rules are available for \$16 in person or \$20 by mail. A one-year subscription to the rulemaking mailing list is \$40.

The Insurance Code and administrative rules also are available on the Web ([oregoninsurance.org](http://oregoninsurance.org)).

To order or for more information, please call **Sue Munson**, (503) 947-7272, or write to:

Administrative Rules Coordinator  
Oregon Insurance Division  
350 Winter St. NE, Room 440  
Salem, OR 97301-3883.

## DITTRICH

### Continued from Page 1

"And she's always been willing to take on new responsibilities."

In her current job as alternative insurance coordinator, Dittrich is responsible for surplus lines, risk retention groups, purchasing groups, and service contracts.

"My job has become kind of a catch-all," she says, explaining that her duties have expanded over the years. "If they didn't know where to put it, they gave it to me."

But Dittrich isn't complaining.

"There's lots of variety in my job. There's no way to get bored."

Dittrich considers herself to be good with numbers, an important skill for someone who coordinates collection of insurance tax prepayments amounting to about \$45 million per year. Taxes on surplus lines carriers generate an additional \$2 million annually for Oregon's General Fund.

Dittrich's outgoing personality and her

command of Oregon laws and rules are major assets, as much of her time is spent responding to questions from agents and service contract obligors.

She's well-liked by her Insurance Division colleagues, and the feeling is mutual. Many stop by during the day to sample the candy she keeps in several large containers on her desk.

"I consider the Insurance Division to be a very close-knit family," she says. "I've always loved the work I've done and the camaraderie. I've had great bosses who were very competent. They appreciated your work, but also cared about you."

She also is proud of her work as emergency coordinator for the division and as a member of the quick response team, which helps with medical emergencies until paramedics arrive.

Dittrich is looking forward to retiring in about 18 months. She and her husband, a retired parole officer, plan to purchase a fifth-wheel trailer and see the U.S.A.

"I can't wait," she says with a big smile.

## PRODUCER ENFORCEMENT ACTIONS

### Allison A. Backstrom

Silverton, OR

*Violations:* Misappropriated premiums. Was convicted in Marion County Circuit Court of first degree theft, a felony.

*Penalty:* License revoked

*Date of order:* March 18, 2002

### Kenneth Burkholder

Milwaukie, OR

*Violation:* State of Washington refused to renew his nonresident agent license because he demonstrated he was untrustworthy and a source of injury and loss to the public.

*Penalty:* Oregon license revoked

*Date of order:* March 5, 2002

### Sharon E. Gardner

Portland, OR

*Violation:* Used fraudulent or dishonest practices in insurance transactions.

*Penalty:* License revoked

*Date of order:* March 25, 2002

### Dennis G. Hanson

Bend, OR

*Violation:* State of Washington refused

to renew his nonresident agent license because he demonstrated he was untrustworthy and a source of injury and loss to the public.

*Penalty:* Oregon license revoked

*Date of order:* April 5, 2002

Check our Web site for copies of enforcement orders

[oregoninsurance.org](http://oregoninsurance.org)

### C. Harry Kirkman

Lake Oswego, OR

*Violation:* Failed to respond to an inquiry from the DCBS director.

*Penalty:* \$1,000 fine

*Date of order:* May 10, 2002

### Oregon Commercial Insurance Agency

White City, OR

*Violation:* Authorized an unlicensed individual to sell insurance.

*Penalty:* \$7,000 fine

*Date of order:* March 27, 2002

### Alice L. Sanders

Coos Bay, OR

*Violations:* Misappropriated premiums. Failed to maintain premiums in an insurance premium trust account.

*Penalty:* License revoked

*Date of order:* March 25, 2002

### Clayton J. Toedtemeier Jr. and Clayton J. Toedtemeier Jr. dba Clay & Associates

Aloha, OR

*Violation:* Clayton Toedtemeier was convicted in Yamhill County Circuit Court of racketeering, a felony.

*Penalty:* Oregon licenses revoked

*Date of order:* March 5, 2002

### Joan H. S. Wilson

White City, OR

*Violation:* Transacted insurance without a license.

*Penalty:* License revoked and \$7,000 fine

*Date of order:* April 11, 2001

## 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](http://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  
350 Winter St. NE, Room 440  
Salem, OR 97301-3883

**E-mail:** [paulinesue.munson@state.or.us](mailto: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 4-2002 — Annual Statement Blank and Instructions: OAR 836-011-0000**

Amendments to this rule adopt the blanks and instructions established by the NAIC for annual statements and supplements for reporting years 2001 and 2002. The blanks and instructions for reporting years 2001 and 2002 are being adopted at the same time as a result of changes by the NAIC in its procedures for adopting blanks and instructions.

*Adopted:* Jan. 17, 2002

*Effective:* Jan. 30, 2002

#### **ID 5-2002 — Notice of Termination of Group Health Insurance: OAR 836-052-0800, -0810, -0830, -0840, -0860**

Amends rules relating to termination of group health insurance policies when coverage is not replaced.

*Adopted:* Jan. 18, 2002

*Effective:* Feb. 6, 2002

#### **ID 6-2002 — Surplus Lines Licensing and Filing Requirements: OAR 836-071-0500**

Establishes requirements a nonresident surplus lines licensee or producer must satisfy in connection with placement of a surplus lines policy on a multi-state risk. It requires a nonresident to be licensed in this state in order to transact a policy in this state.

*Adopted:* Jan. 30, 2002

*Effective:* Feb. 6, 2002

#### **ID 7-2002 — Modification of a Health Benefit Plan: OAR 836-053-0001**

Defines a “modification” of a health benefit plan, which may occur at renewal, as distinguished from a “discontinuance,” for which more advance notice must be given.

*Adopted:* Feb. 4, 2002

*Effective:* Feb. 15, 2002

#### **ID 8-2002 — Privacy of Personal Information: OAR 836-080-0501 to 836-080-0551**

Permanently adopts the temporary rules implementing 2001 legislative changes to insurance statutes governing privacy of personal information, with changes relating to treatment of agents, the opt out form for disclosure to nonaffiliated third parties, limits on sharing account numbers, editorial corrections and clarifications.

*Adopted:* Feb. 12, 2002

*Effective:* Feb. 15, 2002

#### **ID 9-2002 — Agent Licensing: Agents, Adjusters and Insurance Consultants: OAR 836-071-0112**

Amends various rules in Division 71 of the Insurance Division rules, which governs licensing, in order to update and otherwise conform the rules to new statutory references and changes owing to chapter 191, Oregon Laws 2001 (SB 268).

*Adopted:* March 8, 2002

*Effective:* March 18, 2002

#### **ID 10-2002 (Temporary) — Independent Review of Adverse Determination: OAR 836-053-1300 to OAR 836-053-1365**

Temporarily implements statutory requirements that insurers of health benefit plans enable enrollees to seek an external review of an adverse decision by the insurer with respect to whether a course or plan of treatment is:

- Medically necessary
- Experimental or investigational
- An active course of treatment for the purpose of obtaining continuity of care.

Insurers must provide external review

through independent review organizations that are under contract with the DCBS director. These rules establish appropriate standards and procedures.

*Adopted:* March 25, 2002

*Effective:* April 5, 2002 - Sept. 27, 2002  
(See related story, Page 5.)

#### **ID 11-2002 (Temporary) — Rates and Forms Filing: OAR 836-010-0000, -0011, -0021**

Amends OAR 836-010-0011 to delete several separate certification statements that insurers are required to submit with their filings to the Rates and Forms Section, and to replace the certification statements with a single certificate of compliance. Two other rules are also amended to make corresponding changes.

*Adopted:* April 17, 2002

*Effective:* April 18, 2002, - Oct. 11, 2002

#### **ID 12-2002 — Standards for Prompt and Fair Settlements — Automobile Insurance: OAR 836-080-0240**

Amends OAR 836-080-0240 regarding valuation when an automobile suffers a total loss.

*Adopted:* May 13, 2002

*Effective:* May 13, 2002

#### **ID 13-2002 — Title Insurance Unearned Premium Reserve: OAR 836-031-0410**

Implements NAIC statutory accounting principles with respect to title insurance by extending from 15 to 20 years the period for which a title insurer must hold its premium reserves, while also accelerating release of the reserve.

*Adopted:* May 13, 2002

*Effective:* May 14, 2002

### Bulletins

#### **INS 2002-2 — March 1, 2002**

Explains general filing instructions for policy forms and rates.

#### **INS 2002-3 - April 11, 2002**

Explains responsibilities under the *USA Patriot Act of 2001* of persons or entities regulated by the Oregon Insurance Division.



## Checking it out

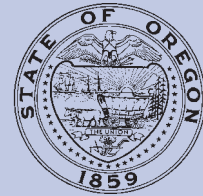
Market analysts Douglas Beck (left) and Ed Lanssens monitor insurers in Oregon.

The Oregon Insurance Regulator is published in February, June and October by the Insurance Division of the Department of Consumer & Business Services (DCBS), 350 Winter St. NE, Room 440, Salem, OR 97301-3883.

**Insurance Administrator**  
Joel Ario

**DCBS Director**  
Mary Neidig

**Editor**  
John Piper



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## MARKET

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market indicators, including new product filings, availability and affordability problems in specific lines of insurance, and new underwriting and rating tools such as credit scoring. When a significant new law passes, such as prompt pay, they help develop educational materials to ensure effective implementation.

The market analysts gather information from a number of sources, including the Web, other state insurance departments, the National Association of Insurance Commissioners (NAIC), the news media, and insurance companies themselves.

A targeted survey often is a good start-

ing point when a problem surfaces. Information generated by the survey can lead to more questions, and if necessary, an invitation for a face-to-face meeting to discuss any problems.

The analysts then check on the company or companies in six months to see if improvements have been made. If not, the next step may be a targeted market conduct exam or other regulatory action.

Beck said the analysts have frequent contact with their counterparts in other states. "If a company is having a problem in another state, we'll take a look at it because it could affect how the company operates in Oregon."

The analysts also want to establish solid working relationships with insurance company officials so that problems can be quickly addressed.

"We want to be proactive," Beck says.



### INSURANCE DIVISION

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