

Oregon investigates alleged abuses by brokers, insurers

Oregon is joining other state insurance regulators and law enforcement officials looking into alleged abuses involving brokers and insurers.

New York Attorney General Eliot Spitzer in October charged that brokers cheated insurance purchasers, primarily corporate clients, by rigging bids and collecting large fees from major insurers for sending business their way.

“The New York investigation raises troubling questions about producer compensation and conflicts of interest,” Oregon Insurance Administrator **Joel Ario** said. “Most

producers are reputable and do their jobs well, so we really have two tasks here. One is to determine if there is any criminal misconduct in Oregon, and if so, go after it. The second issue is to determine if new standards are necessary to ensure proper disclosure and adherence to fiduciary duties.”

Before Spitzer made his charges, the Insurance Division had drafted administrative rules governing insurance

Please see **INVESTIGATION**, Page 4

Insurance Division to sponsor five bills in 2005 Legislature

The Insurance Division plans to introduce five bills in the upcoming regular session of the Oregon Legislative Assembly, which convenes Jan. 10, 2005. A stakeholder meeting to receive comments on the division’s legislative proposals will be held in Salem Friday, Dec. 10, beginning at 1:30 p.m. Written comments also are welcome. More information about the proposed legislation and the stakeholder meeting is available on our Web site: insurance.oregon.gov. Click on *Oregon Legislature*.

Here is a summary of legislation sponsored by the division:

Homeowner insurance underwriting and rating

The bill establishes standards for rating and underwriting

practices used in homeowner insurance. Among other provisions, it:

- Prohibits use of “natural cause” claims in underwriting and rating.
- Limits the prior experience “look-back” period.
- Prohibits counting inquiries as claims.
- Enables individuals to correct loss-history information and mitigate hazards.
- Prohibits insurers from canceling or refusing to issue or renew a policy solely because the applicant or policyholder operates an adult foster home.

Market assistance plans and joint underwriting associations

The bill amends current statutes governing the DCBS director’s authority to establish a market assistance plan (MAP)

Please see **LEGISLATION**, Page 4

Rates and Forms workshop receives positive response

A total of 72 people learned about Oregon filing requirements for insurance products at an August workshop sponsored by the Rates and Forms Unit.

“The purpose of the workshop was to communicate to the industry our filing requirements and discuss problems we typically see in filings,” according to Rates and Forms Manager **Gayle Woods**.

Please see **RATES AND FORMS**, Page 2



Life analyst **Dave Bolton** discusses Oregon filing requirements for life insurance products at the Rates and Forms workshop in August.

AGENT LICENSING

Computer change will allow more electronic licensing services

By Margarita Nuñez

Agent Licensing, along with the rest of the Insurance Division, will be migrating to a new computer system in late November. Our new system will be more compatible with other industry computer systems and will allow us to take advantage of new services to be offered electronically through the National Insurance Producer Registry, such as license renewal, resident licensing, and address and phone number changes.

These electronic services will make it easier for you to do business with us. However, we anticipate that processing will take a little longer during the transition to the new system. We ask, in advance, for your patience.

Processing time explained

Waiting for a license for a new employee? The processing time for resident applications is generally 10-15 working days. Waiting for a renewed license? Renewals and reinstatements are generally processed in 5-10 working days. Please allow for mailing time for both applications and renewals, which takes an additional 3-5 days.

Renew early for quicker turnaround time

Insurance producers who renew early have a quicker turnaround and can avoid late renewal fees by allowing enough time to resolve any deficiencies, such as:

- Missing expiration dates on credit cards.

- Insufficient continuing education hours.
- Submitting Washington continuing education certificates (which are not acceptable).
- Submitting passing scores instead of certificates.

Renewing early also will allow insurance producers the extra time needed to provide copies to your agency or insurer to avoid delays in receiving your commissions.

Contact person changes for CE providers

The contact person for the continuing education program has changed. CE providers should direct course filings; notifications of course time, date, and location; and questions about continuing education courses to **Terri Bang**, (503) 947-7274.

Producers who have questions about how many continuing education hours they owe can continue to call the general Agent Licensing number, (503) 947-7981.

Affiliation form revised

We have revised our affiliation form so that agency owners and officers can now terminate affiliations, as well as affiliate licensees, on the same form (440-2139). The form is available on our Web site: insurance.oregon.gov. Click on *Forms*.

Margarita Nuñez is manager of the Agent Licensing Unit.

RATES AND FORMS

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Rates and Forms has a customer service performance benchmark of completing 82 percent of all filings within 30 days of receipt. Getting insurers to submit filings correctly will help staff meet that benchmark and improve turnaround time.

Topics covered during the workshop's morning session included how the Insurance Division is organized, customer service, E-notify, general filing guidelines, and common submission oversights, both generally and for specific lines of insurance.

Trevor Barnard of the NAIC staff also gave a presentation about how to use the System for Electronic Rate and Form Filing (SERFF).

As a result of a suggestion at the morn-

ing session, Rates and Forms has started sending out an E-Notify message whenever new or revised product standards or forms are posted on the division Web site: insurance.oregon.gov.

In the afternoon session, participants had an opportunity to attend small group meetings with Rates and Forms staff and division actuaries to discuss areas of interest.

Feedback from workshop attendees was generally positive. Of 33 evaluation forms returned, 29 people said the workshop met their expectations, 32 felt information was provided in a clear and concise manner, and 33 felt information presented could help them with the filing process. Many expressed interest in attending future Rates and Forms workshops that were product specific.

Rule protects consumers from unsuitable products

The Insurance Division has adopted an administrative rule to help protect consumers from abuses in the sale of unsuitable life insurance and annuity products.

The rule, which is effective Jan. 1, 2005, requires anyone selling or replacing a life insurance or annuity product in Oregon to have reasonable grounds to believe the transaction is not unsuitable for the consumer based on a review of the consumer's insurance objectives, financial situation and needs, age, and other relevant information.

The suitability standard established by the new rule is flexible and result-oriented, giving insurers and agents discretion in how they implement it.

The rule is available on the division's Web site: insurance.oregon.gov. Click on *Laws, Rules & Bulletins*, then *Recent Rules*.

INSURANCE ADMINISTRATOR'S COLUMN

Regulators must review questions raised by alleged abuses

New York Attorney General Eliot Spitzer, by alleging illegal activity and conflicts of interest by insurance brokers and insurers, has cast a negative light over the entire marketplace.

If bid-rigging occurred, this is clearly criminal conduct and violators must be brought to justice. However, Mr. Spitzer also has raised important questions about long-standing industry practices relating to broker compensation.

Oregon is joining other state insurance regulators and law enforcement officials to address both of these important issues. (See story, Page 1.)

As of press time, we haven't seen any evidence that Oregon brokers are rigging bids. However, we want to examine this very closely and will work with the Oregon Department of Justice to take appropriate action if criminal activity is uncovered.

Mr. Spitzer also has been highly critical of contingent commissions, which are commonly used in insurance and other industries. We need open dialogue between all affected parties as to whether new rules are necessary to protect against conflicts of interest.

Before Mr. Spitzer's allegations hit the news, we drafted proposed administrative rules that focused on disclosure requirements for certain commercial transactions. We also had scheduled a hearing for December 7.

In light of the alleged abuses, we plan to broaden the

scope of our rulemaking hearing to include other compensation and conflict of interest issues. The hearing is the best opportunity for all parties, including insurers, insurance producers and purchasers, to be heard on the broader public policy issues raised by the New York investigation.

We don't have any preconceived ideas about what changes, if any, are needed. Since most producers are reputable, we want to create rules that set the appropriate standards without imposing unnecessary regulatory burdens.

On the national level, an NAIC task force will develop a model act for brokers' disclosure of compensation, and develop standards that states can use to query insurers and brokers. NAIC also will launch an on-line mechanism for reporting unscrupulous business practices.

Goodpaster's departure brings mixed feelings

Jann Goodpaster, who most recently managed our market regulation program, left the Insurance Division in early November to become national director of market regulation for American Express.

Although I'm sorry to see Jann leave after more than a dozen years of service, I'm also proud that others think as highly of her as we do. She will be sorely missed.

Deputy Administrator **Carl Lundberg** will serve as acting manager of the Market Regulation Section.



Joel Ario
Insurance Administrator

KEY CONTACTS

Oregon Insurance Division

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- **Market Analysis** (503) 947-7205
 Manager Patricia Neesham

Rates & Forms

Information (503) 947-7983
 Manager Gayle Woods

Employment opportunities with the Oregon Insurance Division
 Shelley Greiner (503) 947-7222

Other agencies

Oregon Health Plan

(800) 359-9517

State Portability Option

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

COBRA/ERISA/HIPAA questions

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

Workers' Compensation Division

General information
 (503) 947-7810

Oregon Government

Directory Assistance
 (503) 378-6500

LEGISLATION

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or a joint underwriting association (JUA). A MAP or JUA may be established by administrative order for one or more subclasses of commercial liability insurance. Under the bill, the director may deal with affordability of commercial liability insurance, as well as availability. The director must hold a hearing before establishing a JUA.

Charitable annuities issued by educational institutions and nonprofit corporations

Because educational institutions and nonprofit corporations that issue charitable annuities have proven not to be a regulatory problem, the Insurance Division is proposing to exempt them from regulation under the Insurance Code.

Web site helps contractors find liability insurance

A new state-sponsored Web site should make it easier for certain Oregon construction contractors to find liability insurance.

The Web site is the centerpiece of a market assistance plan (MAP) for contractors developed by the Oregon Insurance Division and the Construction Contractors Board (CCB).

These entities will continue to be regulated as charities by the Oregon attorney general and registered as charitable organizations by the secretary of state.

Investment in subsidiaries by health care service contractors

The bill makes health care service contractors subject to the same standards and limitations for investing in subsidiaries that apply to insurers generally.

Technical bill

Among other provisions, the bill:

- Repeals the statutory requirement that the director publish an annual report of official transactions under the Insurance Code.
- Clarifies the law governing the extent to which insurers may combine classes of insurance and offer package policies.
- Adds specific authority for insurers to allow holders of individual annuities to borrow upon them.

INVESTIGATION

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producers, and had scheduled a hearing for December 7 in Salem.

Ario said the scope of the hearing will be expanded to include discussion of questions raised by the New York investigation. Some examples:

- When an insurance producer acts as a broker, should his or her fiduciary duty to the insured be affirmed by rule? How should that duty be described?
- Should disclosure requirements apply only to large commercial insurance transactions, as specified in the current rules draft? Or should other producers who collect both fees and commissions be required to disclose compensation?
- How detailed should disclosure be?

“We have not made any decisions about what changes, if any, should be made in response to concerns raised by the New York investigation,” Ario stressed. “The sole purpose of these questions is to enable us to consider all options that have emerged in the public debate.”

The proposed rules and information about the December 7 rulemaking hearing are available on our Web site: insurance.oregon.gov. Click on *Laws, Rules & Bulletins*, then *Proposed Rules*.

PERSONNEL

John Hardiman and **Cece Newell** were promoted to market regulation technicians in the Rates & Forms Unit. Both had been a consumer advocates in the Consumer Advocacy Unit. Hardiman will specialize in life and annuity issues, while Newell will focus on property and casualty issues.

Rick Frawley, a financial analyst in the Financial Regulation Section, is working in a job rotation position as a legislative analyst with the Oregon Legislative Fiscal Office through the end of the 2005 legislative session.

New Insurance Division employees:

- **Raymond Anderson**, financial examiner, Financial Regulation Section
- **Kristin Persson** and **Rhonda Saunders-Ricks**, health analysts, Rates & Forms Unit

COMPANY NEWS ON THE WEB

The following information about insurers is available on our Web site: insurance.oregon.gov. Click on *Company Information*.

RECENT COMPANY CHANGES

New company authorizations, inactive companies, redomestications, name changes, class changes, and address changes.

SUSPENSIONS

Colorado Western Insurance Co.

Wheat Ridge, CO

Date of order: June 17, 2004

Superior Insurance Co.

Tampa, FL

Date of order: July 8, 2004

FINANCIAL EXAMINATIONS

- **Pacificare of Oregon, Inc.**
As of Dec. 31, 2002
Published June 28, 2004
- **State Accident Insurance Fund Corp.**
As of Dec. 31, 2002
Published June 29, 2004

MARKET CONDUCT EXAMINATIONS

- **State Farm Mutual Auto Insurance Co.**
As of Dec. 31, 2000
Published July 14, 2004
- **Jackson National Life Insurance Co.**
As of March 7, 2003
Published Sept. 9, 2004

Recent rate activity for Top 10 personal automobile insurers in Oregon

Domicile, direct premium written as of December 2003², market share, recent rate changes, effective dates

	Company	Dom.	Oregon premium	Market share	Rate change¹	New business	Renewal
1	State Farm Mutual Auto Ins Co	IL	349,654,467	18.6%	-1.5%	07/15/04	07/15/04
2	Farmers Ins Co of OR	OR	246,692,748	13.1%	3.7%	07/01/04	07/01/04
3	Safeco Ins Co of OR	OR	139,971,844	7.4%	2.9%	11/20/03	11/20/03
4	Allstate Ins Co	IL	123,263,517	6.6%	NA ¹	NA ¹	NA ¹
5	Progressive Northern Ins Co	WI	58,581,361	3.1%	3.3%	01/01/04	01/01/04
6	American Family Mutual Ins Co	WI	55,930,766	3.0%	8.9%	06/12/04	06/12/04
7	Mid-Century Ins Co	CA	55,109,541	2.9%	0.0%	07/01/04	07/01/04
8	Progressive Halcyon Ins Co	OH	50,552,690	2.7%	NA ¹	NA ¹	NA ¹
9	Country Mutual Ins Co	IL	37,779,887	2.0%	NA ¹	NA ¹	NA ¹
10	State Farm Fire and Casualty Co	IL	33,225,702	1.8%	5.2%	03/01/04	03/01/04
TOP 10			1,150,762,523	61.2%	1.4%		
TOTAL 288 companies			1,881,456,475				

Recent rate activity for Top 10 homeowner insurers in Oregon

Domicile, direct premium written as of December 2003³, market share, recent rate changes, effective dates

	Company	Dom.	Oregon premium	Market share	Rate change¹	New business	Renewal
1	State Farm Fire and Casualty Co	IL	125,985,209	27.5%	-5.0%	07/15/04	07/15/04
2	Farmers Ins Co of OR	OR	63,216,172	13.8%	NA ¹	NA ¹	NA ¹
3	Safeco Ins Co of OR	OR	35,697,289	7.8%	-11.0%	05/13/04	06/22/04
4	Allstate Ins Co	IL	33,993,799	7.4%	NA ¹	NA ¹	NA ¹
5	American Family Mutual Ins Co	WI	16,116,175	3.5%	25.0%	02/01/04	02/01/04
6	Foremost Signature Ins Co	MI	14,798,897	3.2%	NA ¹	NA ¹	NA ¹
7	Allstate Indemnity Co	IL	13,224,336	2.9%	NA ¹	NA ¹	NA ¹
8	Country Mutual Ins Co	IL	13,029,007	2.8%	7.3%	02/15/04	02/15/04
9	Mutual of Enumclaw Ins Co	WA	12,388,050	2.7%	5.1%	06/01/04	06/01/04
10	United Services Auto Assoc	TX	9,403,438	2.1%	0.1%	12/01/03	12/01/03
TOP 10			337,852,372	73.7%	-1.4%		
TOTAL 126 companies			458,375,356				

1 Indicates overall rate change. Individual policyholders may experience rate changes higher or lower than the average.

2 Auto premiums include motorcycle, light trucks, recreational vehicles, and motor homes. Rate activity is for personal auto coverages only.

3 Homeowner premiums include renters, condos, manufactured homes, and coverages such as boats, golf carts, and jewelry. Rate activity is for homeowner coverages only.

NA¹ Insurer has not filed a rate change in the last 12 months.

ENFORCEMENT ACTIONS

Enforcement actions against insurance companies and producers are summarized below. Copies of administrative orders are available on our Web site: insurance.oregon.gov. Click on *Administrative Orders*.

INSURERS

ING Life Insurance and Annuity Co. Hartford, CT

Violations: Failed to promptly and equitably settle a claim. Failed to timely respond to a claimant's communication about a claim.

Penalty: \$10,000 fine

Date of order: Oct. 27, 2004

Nations Hazard Insurance Co., Hartford Casualty Insurance, and Michael F. Napadow

Carpentersville, IL

Violation: Transacted insurance in Oregon as an insurer without a license.

Penalty: Ordered to cease and desist from transacting insurance in Oregon without a license.

Date of order: Aug. 6, 2004

World Wildlife Fund, Inc.

Washington, D.C.

Violation: Issued charitable gift annuities in Oregon without a license.

Penalty: \$1,000 fine

Date of order: Sept. 20, 2004

RESIDENT PRODUCERS

Nicolas J. Abrantes

Portland, OR

Violation: Made false statements on an insurance license application.

Penalty: \$2,000 fine

Date of order: June 4, 2004

Amvesco, Inc. dba Western Pioneer Title Co. of Lane County

Eugene, OR

Violation: Gave a thing of value to an intermediary.

Penalty: \$1,000 fine

Date of order: June 15, 2004

Denise J. Averette

Mt. Angel, OR

Violation: Misappropriated insurance premium.

Penalty: Agent license revoked

Date of order: June 9, 2004

Ryan D. Brown

Klamath Falls, OR

Violation: Withheld insurance applications and premiums.

Penalty: Agent license revoked

Date of order: Aug. 25, 2004

Tina H. Carrillo

The Dalles, OR

Violations: Was subject to and failed to report an enforcement action by another state insurance regulator. Failed to respond to an inquiry from the DCBS director.

Penalty: Agent license revoked

Date of order: Oct. 12, 2004

Michael C. Close

Prineville, OR

Violations: Withheld insurance applications and premiums.

Penalty: \$2,000 fine

Date of order: Oct. 5, 2004

Cycle Sports of Salem, Inc.

Salem, OR

Violations: Withheld insurance premium. Failed to timely respond to an inquiry from the DCBS director.

Penalty: \$6,000 fine

Date of order: June 28, 2004

Grant H. Gilbertson

Salem, OR

Violations: Transacted insurance as an agent without a license. Illegally collected insurance premiums.

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

Date of order: Sept. 7, 2004

Gillespie-Johnson-Stanger Insurance, Inc. dba House of Insurance

Grants Pass, OR

Violations: Withheld insurance premiums. Misappropriated insurance premiums. Failed to keep accurate trust account records. Commingled other funds in a premium trust account.

Penalty: \$10,000 fine. House of Insurance also agreed to hire a certified public accountant to audit its operating and trust accounts, send a report of the audit to the Insurance Division's Investigation Unit, and establish a trust account record-keeping system and written procedures that comply with Oregon law.

Date of order: Oct. 13, 2004

Jamie A. Horton

Clackamas, OR

Violations: Made a false statement on an insurance application. Misappropriated insurance premiums.

Penalty: Agent license revoked

Date of order: Sept. 20, 2004

Tim C. Lancaster

Klamath Falls, OR

Violation: Made a false statement on an insurance application.

Penalty: \$1,000 fine

Date of order: June 4, 2004

Alan S. Liebenthal

Portland, OR

Violations: Made a false statement on or relative to an insurance application. Misappropriated and withheld insurance premiums. Failed to timely convert cash into a negotiable instrument and forward it to an insurer.

Penalty: \$5,000 fine; also ordered to pay \$590.22 to Mayflower National Life Insurance Co. for premiums not forwarded.

Date of order: April 21, 2004

Patrick W. McKenzie

Dallas, OR

Violations: Forged a person's name on insurance applications. Made false statements on insurance applications.

Penalty: \$3,000 fine

Date of order: Aug. 26, 2004

Beverly A. Miller

Medford, OR

Violation: Failed to comply with a subpoena from the Insurance Division.

Penalty: Agent license revoked

Date of order: Oct. 8, 2004

M. Linda Momberger and M. Linda Momberger dba Jack Barber Insurance

Aloha, OR

Violations: Jack Barber Insurance withheld premiums, transacted insurance through an unlicensed person, and failed to timely respond to inquiries from the DCBS director. Momberger transacted insurance without a license.

Penalty: Jack Barber Insurance was fined \$3,000. Momberger was fined \$1,000.

Date of order: May 28, 2004

Donald C. Stamm

Portland, OR

Violations: Withheld insurance applica-

Please see ENFORCEMENT, Page 7

ENFORCEMENT ACTIONS

Continued from Page 6

tions and premiums.

Penalty: \$4,000 fine

Date of order: June 24, 2004

John A. Williams

Eugene, OR

Violation: Was convicted of a felony involving dishonesty or breach of trust.

Penalty: Agent license revoked; \$7,000 fine

Date of order: Oct. 6, 2004

NONRESIDENT PRODUCERS

The following nonresident producers were fined, had their license revoked, or surrendered their license in lieu of enforcement action as a result of one or more of the following violations:

- Made a false statement on an insurance license application.
- Was subject to and failed to report or timely report enforcement actions by another state insurance regulator.
- Is not licensed in his or her resident state.
- Failed to respond or timely respond to an inquiry from the DCBS director.

John G. B. Allen

Woodbury, MN

Penalty: \$1,400 fine

Date of order: Oct. 7, 2004

Robert G. Barrow

Duluth, GA

Penalty: \$400 fine

Date of order: July 30, 2004

Shawn S. Brudzinski

Lemon Grove, CA

Penalty: Agent license revoked

Date of order: Sept. 20, 2004

Mark M. Chioda

Bridgewater, MO

Penalty: Surrendered his Oregon non-resident agent license in lieu of enforcement action

Date of order: June 15, 2004

Jon O. Clark

San Diego, CA

Penalty: Agent license revoked

Date of order: Sept. 20, 2004

Douglas P. Cox

San Diego, CA

Penalty: \$400 fine

Date of order: July 19, 2004

Kevin B. Dermody

Aurora, IL

Penalty: Agent license revoked

Date of order: Oct. 6, 2004

Lester W. Eckert and Aberdeen Insurance Services, Inc.

Houston, TX

Penalty: Agent and agency licenses revoked

Date of order: June 25, 2004

Susan R. Evans

St. Louis, MO

Penalty: \$500 fine

Date of order: June 25, 2004

Alfred Gomez

Baldwin Park, CA

Penalty: Agent license revoked

Date of order: Sept. 20, 2004

Adrian R. Gonzales

San Antonio, TX

Penalty: Agent license revoked

Date of order: Sept. 15, 2004

Mark A. Gray

Manchester, MO

Penalty: Agreed not to renew his agent license in lieu of enforcement action

Date of order: June 15, 2004

Robert T. Heusinkveld

Plano, TX

Penalty: \$2,200 fine

Date of order: Aug. 4, 2004

Scott T. Horton

Fredericksburg, VA

Penalty: Agent license revoked

Date of order: June 25, 2004

Cynthia L. Keranen

Colonial Beach, VA

Penalty: Agent license revoked.

Date of order: Sept. 22, 2004

Henry T. Lane, Jr.

Gainesville, FL

Penalty: \$200 fine

Date of order: June 10, 2004

Miguel A. Martinez

San Diego, CA

Penalty: Agent license revoked

Date of order: Sept. 20, 2004

Mark J. Matsock

Phoenix, AZ

Penalty: \$400 fine

Date of order: Aug. 26, 2004

Kathryn M. Mitchell

Poway, CA

Penalty: Surrendered her agent license in lieu of enforcement action

Date of order: June 9, 2004

Dale I. Nealey

Dennison, OH

Penalty: \$400 fine

Date of order: July 16, 2004

Gerald G. Nieman

Colorado Springs, CO

Penalty: Agent license revoked

Date of order: Sept. 22, 2004

Melissa R. Paul

Knoxville, TN

Penalty: Agent license revoked

Date of order: June 29, 2004

James L. Phillips

Atlanta, GA

Penalty: \$200 fine

Date of order: Aug. 26, 2004

Dan E. Redfearn

Elk Grove, CA

Penalty: \$400 fine

Date of order: June 28, 2004

Cherie A. Robinson

Norfolk, VA

Penalty: Agent license revoked

Date of order: Oct. 6, 2004

Angela R. Robles

Duarte, CA

Penalty: Agent license revoked

Date of order: Oct. 8, 2004

Cyleca M. Shields

Spring Valley, CA

Penalty: Agent license revoked

Date of order: Oct. 6, 2004

Kimberly C. Sullivan

King George, VA

Penalty: Surrendered her agent license in lieu of enforcement action

Date of order: Sept. 8, 2004

Patrick N. Wedeking

Snoqualmie, WA

Penalty: \$200 fine

Date of order: July 28, 2004



INSURANCE DIVISION

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Salem, Oregon 97309-0405

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RULES & BULLETINS

Recent administrative rules and bulletins are summarized below. Rules and bulletins are available on our Web site: insurance.oregon.gov. To request a printed copy of a rule or bulletin, please contact **Sue Munson**, administrative rules coordinator, (503) 947-7272.

Interested parties can subscribe to the division's electronic notification service for rulemaking notices, bulletins and other information. To subscribe, please visit our Web site and click on *E-Notify*.

Administrative rules

ID 06-2004 — Suitability of Sales of Life Insurance, Including Annuities OAR 836-080-0090

Establishes a standard of suitability for sales and replacements of life insurance and annuities.

Adopted: Aug. 23, 2004

Effective: Jan. 1, 2005

ID 07-2004 — Credit Scoring 836-080-0437 and 836-080-0438, OAR 836-080-0425, 836-080-0430

and 836-080-0435, OAR 836-080-0432

Conforms rules relating to credit scoring to 2003 legislation that incorporated some provisions of the existing rules and also extended the scope of statutory regulation of credit scoring and its use in connection with insurance.

Adopted: Oct. 4, 2004

Effective: Oct. 5, 2004

ID 08-2004 (Temporary) — Formation of a Market Assistance Plan 836-014-0400

Requires insurers writing construction contractor liability insurance to form a market assistance plan.

Adopted: Sept. 25, 2004

Effective: Oct. 12, 2004, through March 20, 2005

Bulletin

INS 2004-1 — Oct. 5, 2004

Summarizes commission rate requirements for health plans offered to Oregon small employer groups.

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