

Legislature approves homeowner protection bill

Oregon lawmakers approved a “homeowner bill of rights” and several other measures introduced by the Insurance Division during the 2005 session.

“Senate Bill 118 provides significant protections for Oregon homeowners,” said Insurance Administrator Joel Ario. “At the same time, it takes the best practices already used by many insurers and makes them the standard for the industry.”

The bill, effective Jan. 1, 2006, does the following:

- Requires insurers to disclose use of loss-history databases and provides homeowners an opportunity to correct inaccurate information.
- Limits the claim look-back period to five years.
- Prohibits insurers from canceling or nonrenewing policies for the first claim in any five-year period.
- Prohibits insurers from using claims made under prior ownership to cancel or nonrenew policies or increase rates



when the causes of past claims are shown to have been mitigated.

- Prohibits insurers from treating policyholder inquiries as claims.
- Requires insurers to provide 30 days’ notice for renewal or nonrenewal.

The 2005 Legislature adjourned shortly before the Regulator went to press. Insurance-related legislation passed in 2005 will be summarized in the next issue. For more information, please visit our Web site, insurance.oregon.gov. Click on *2005 Oregon Legislature*.

- Restricts midterm policy cancellations. Other measures introduced by the Insurance Division include the following:

- **HB 2092 — Educational institutions and nonprofit corporations issuing charitable gift annuities**

This bill, which exempts such entities from the Oregon Insurance Code if they meet minimum financial and organizational requirements, has been signed by the governor.

- **SB 129 — Investments by health care service contractors**

This bill, which requires HCSCs to **Please see LEGISLATURE, Page 7**

New rules clarify how insurance producers are paid

New administrative rules adopted by the Oregon Department of Consumer & Business Services will provide consumers with better information about how insurance producers are paid.

Under the new rules, an insurance agent, broker, or consultant who receives both a fee from a customer and pay from an insurer for the same transaction must disclose in advance the entire amount, including any “contingent compensation,” such as rewards for meeting sales or profitability goals.

Insurance compensation practices have been under intense scrutiny since October 2004 when New York regulators charged that Marsh & McLennan Companies and other major brokers cheated insurance purchasers, primarily corporate clients, by rigging bids and collecting large fees

from insurers for sending business their way. Marsh and several other large brokers later agreed to pay restitution and no longer accept contingent commissions.

Because most insurance producers aren’t paid by customers, but receive only commissions or other forms of compensation from insurance companies, the disclosure requirements won’t apply to them. Oregon law allows collection of both fees from customers and compensation from insurers in limited circumstances, primarily by those selling commercial insurance to businesses, and by consultants, who advise customers about commercial or personal coverage.

“Our new rules address the area with the most potential for conflicts of interest to occur — when an agent or broker is getting compensation from both sides of the

deal,” said Insurance Administrator Joel Ario. “We still have some concerns about situations in which brokers acting on behalf of customers agree to waive fees and accept only commissions from insurers. However, we’ve received few complaints about this practice and legislation would be needed to address it.”

The new rules take into account that insurance producers may not know the exact amount of contingent compensation they will receive. In these cases, producers must disclose the specific method of compensation and, if possible, provide an estimate of the amount.

The new rules, which cover a variety of other matters relating to insurance producers, are available on the division’s

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Producer Licensing

There will be only five limited lines subclasses as of Aug. 1

By Margarita Nuñez

We adopted NAIC's uniform limited lines, effective August 1. Subclasses for limited lines insurance producer licenses will be reduced from 12 to five. The new subclasses are crop, credit, surety, trip travel, and title. Active limited lines licenses in our licensing system will be automatically converted to the new subclasses, and the changes will be reflected in NAIC's Producer Database and on our Web site.

Both the crop and surety lines are new to Oregon. Trip travel will include the former subclasses of travel ticket health and baggage, trip cancellation, and trip interruption.

The vehicle rental company license for business entities is not affected by the changes in subclasses.

Processing delays continue

We are continuing to experience delays in processing applications as we address issues related to our new computer system. Please allow 30 days' processing time after your check has cleared your bank. We apologize for the delays and are working on solutions.

The most common delay is caused by applicants who don't fill out their forms completely. If all the questions on an application aren't answered, processing can be held up a week or more because of the mailing time involved in requesting and receiving additional information.

Applicants who want to check their eligibility to take the insurance license exam may call Promissor, our testing vendor, (800) 274-7003.

We send notice of exam eligibility electronically to Promissor after we approve the application, which is currently taking 30 days. Notice of exam eligibility also is mailed to the applicant.

You can check the processing status of various types of applications on the Insurance Division's Web site at insurance.oregon.gov/docs/licensin/agent.htm. The list is updated every Friday.

The agent and agency pages on our Web site are updated daily to reflect newly renewed and new licenses.

As the Producer Licensing Unit works through these temporary processing delays, we ask you to help out by using the resources mentioned above before calling the division about the processing status of an application.

Improved electronic processes in the works

By the end of this year, we plan to offer nonresident producers the option of electronically renewing their licenses. Nonresidents now make up two-thirds of all producer licenses in Oregon. The Insurance Division will develop electronic processes for resident producer and agency licenses once the electronic license renewal process for nonresident producers is completed.

Written consent for unlicensed personnel

People with felony convictions involving dishonesty or breach of trust are prohibited from participating in the insurance business unless they have obtained written consent from their state insurance department.

A new administrative rule, effective August 1, gives the Insurance Division authority to issue written consent to unlicensed insurance personnel. The rule establishes standards that must be met before written consent can be granted. The federal law on which this rule is based contains no grandfather clause. Any person who requires written consent should contact the Producer Licensing Unit for more information.

Margarita Nuñez is manager of the Producer Licensing Unit.

Program that helps Medicare beneficiaries moves to OMIP

The Senior Health Insurance Benefits Assistance (SHIBA) program was transferred July 1 from the Insurance Division to the Oregon Medical Insurance Pool (OMIP). Both the Insurance Division and OMIP are part of the Department of Consumer and Business Services.

SHIBA is a joint federal and state program that assists Medicare beneficiaries with health insurance decisions. Volunteers trained by SHIBA help Oregonians make sure they are receiving all their benefits, compare supplemental health insurance policies, select prescription drug plans, and file appeals and complaints. SHIBA also produces consumer publications to help people with Medicare and their families understand the benefits available.

SHIBA has 239 active volunteers around Oregon and collaborates with senior services and other community organizations

to provide one-on-one counseling for Medicare beneficiaries. In the past three years, SHIBA volunteers have helped beneficiaries save more than \$1.2 million.

DCBS Director Cory Streisinger said that SHIBA will fit well with OMIP and the other programs administered by Rocky King, including the Insurance Pool Governing Board.

The demand for SHIBA's services is expected to grow significantly with implementation of Medicare's new prescription drug program in January 2006. "SHIBA has provided a valuable service for Oregon Medicare beneficiaries for many years," Streisinger said. "We believe this move within DCBS will build on SHIBA's strengths and success and position the program well for an expanded mission."

Information about SHIBA's programs is available on the Web at oregon.gov/DCBS/SHIBA.

Insurance Administrator's Column

Legislative session was productive for Insurance Division

Oregon lawmakers approved significant new protections for homeowners during their 2005 legislative session. (Please see story, Page 1).

Dubbed the "homeowners' bill of rights," Senate Bill 118, as amended, had broad support from consumer groups as well as the insurance and real estate industries. It passed both houses without opposition.

Passage of SB 118 clearly shows the value of involving all stakeholders in developing legislation and public policy.

Lawmakers also looked favorably on several other legislative proposals sponsored by the Insurance Division, including HB 2092, which exempts educational institutions and nonprofit corporations issuing charitable gift annuities from the Insurance Code if they meet certain requirements.



Task force to look at construction problems

Governor Kulongoski has signed House Bill 2078, which creates a task force to study problems in the construction industry, including liability insurance and construction defects.

Rising liability claims, often attributed to new building products and contractor performance issues, have resulted in stiff premium increases for contractor liability insurance. The task force will bring together nine members representing contractors, the insurance industry, energy conservation experts,

and building code specialists to develop recommendation and produce a report for the 2007 legislative session.

Compensation rules address key issues

Oregon's new producer compensation rules provide increased transparency for insurance sales without imposing an unnecessary regulatory burden.

Our rules, which are based on the compensation disclosure amendment to the NAIC's Producer Licensing Model Act, address the area where the most potential for conflicts of interest occurs: when producers and consultants receive compensation from both a customer and an insurer. In these transactions, the producer or consultant will have to disclose in advance the entire fee charged and all "valuable compensation" received from the insurer, including any contingent compensation.

The new rules apply to independent producers only if they receive compensation from the customer for placing insurance.

In addition, the new rules will allow producers to charge customers for certain specified services, such as a \$25 charge for dealing with a check returned for nonsufficient funds.

The new rules are posted on our Web site (insurance.oregon.gov), along with answers to frequently asked questions.

Joel Ario
Insurance Administrator

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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

Senior Health Insurance
 Benefits Assistance (SHIBA)
 (800) 722-4134
 (503) 378-2014

Workers' Compensation Division
 General information
 (503) 947-7810

Oregon Government
 Directory Assistance
 (503) 378-6500

Administrative Rules

Administrative rules recently adopted or amended by the Insurance Division are summarized below. Rules are available on our Web site, insurance.oregon.gov. To request a free printed copy of a rule, 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*.

ID 04-2005 — Privacy of Personal Information Held by Insurers: 836-080-0600 to 836-080-0700

Governs the use and disclosure of personal information by health insurers.

Adopted: March 15, 2005

Effective: April 1, 2005

ID 05-2005 — Actuarial Pension Tables for Workers' Compensation: 836-042-0045 and 836-042-0085

Re-adopts amendments, because of procedural error, to a rule that prescribes a uniform statistical plan for workers' compensation insurance as required by statute.

Adopted: March 28, 2005

Effective: April 7, 2005

ID 06-2005 — Workers' Compensation Statistical Reporting Requirements and Trade Practices: OAR 836-085-0201, 836-085-0225, 836-085-0220

Repeals OAR 836-085-0220 relating to reporting requirements for workers' compensation insurers.

Adopted: March 28, 2005

Effective: April 7, 2005

ID 07-2005 — Title Insurance: OAR 836-031-0410

Establishes a reserving requirement for title insurance.

Adopted: April 6, 2005

Effective: April 21, 2005

ID 08-2005 — Insurance Producers and Regulation: OAR 836-071-0108, etc.

The primary issue relates to disclosure of all compensation when a consumer pays compensation to a producer. Among other changes: "agent" is replaced throughout the rules with "insurance producer," rules governing felony waivers are extended, insurance producers are authorized to charge specific incidental charges, and limited lines license categories are established.

Adopted: May 17, 2005

Effective: Aug. 1, 2005

ID 09-2005 (Temporary) — Insurance Producer Compensation Disclosure: OAR 836-071-0263 and OAR 836-071-0277

Temporary rule establishes minimum terms of disclosure when consumer pays compensation to an insurance producer and the transaction is not subject to ORS 735.455, 744.091, or 744.093, or the consumer pays compensation to an insurance consultant who also receives other compensation.

Adopted: May 17, 2005

Effective: Aug. 1, 2005 - Jan. 15, 2006

ID 10-2005 — Medicare Supplement Insurance: OAR 836-052-0114 to OAR 836-052-0810

Amends Oregon rules to conform to federal standards under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

Adopted: July 20, 2005

Effective: July 26, 2005

Company news on the Web

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

COMPANY CHANGES

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

SUSPENSIONS

Cascade National Insurance Co.
Bellevue, WA
Date of order: Jan. 3, 2005

South Carolina Insurance Co.
Columbia, SC
June 20, 2005

States General Life Insurance Co.
Fort Worth, TX
Date of order: March 23, 2005

FINANCIAL EXAMINATIONS

- Atrio Health Plans, Inc.
As of 2/28/05 • Published 4/19/05
(Qualifying examination)
- Chicago Title Insurance Company of Oregon
As of 12/31/03 • Published 6/1/05
- Employees' Benefit Association
As of 12/31/03 • Published 4/15/05
- Familycare Health Plans, Inc.
As of 12/31/03 • Published 4/13/05
- Health Plan of CareOregon, Inc.
As of 2/21/05 • Published 3/28/05
(Qualifying examination)
- LifeWise Health Plan of Oregon
As of 12/31/03 • Published 3/9/05
- Mid-Valley IPA Employee Benefit Trust
As of 3/18/05 • Published 4/19/05
(Qualifying examination)

- Northwest Physicians Mutual Insurance Co.
As of 12/31/03 • Published 3/18/05
- Sublimity Insurance Co.
As of 12/31/03 • Published 3/21/05
- Valley Property & Casualty Insurance Co.
As of 12/31/03 • Published 4/15/05
- Verboort Benevolent Society of Oregon
As of 12/31/03 • Published 3/21/05

MARKET CONDUCT EXAMINATIONS

- Kaiser Foundation Health Plan of the Northwest dba Kaiser Permanente
As of 12/31/02 • Published 4/7/05
- State Farm Mutual Automobile Insurance Co.
As of 10/31/02 • Published 5/5/05

Recent rate activity for top 10 automobile insurers in Oregon

Domicile, direct premium written as of December 2004¹, market share, recent rate changes, effective dates

Company	Dom	Oregon premium	Market share	Rate change ²	New business	Renewal
1 State Farm Mutual Auto Ins Co	IL	345,005,529	18.3%	-4.3%	08/15/05 ³	09/15/05 ³
2 Farmers Ins Co of OR	OR	252,740,171	13.4%	3.7%	07/01/04	07/01/04
3 Safeco Ins Co of OR	OR	148,110,554	7.9%	-2.6%	08/12/04	09/16/04
4 Allstate Ins Co	IL	113,376,928	6.0%	0.0%	NA ⁴	NA
5 Progressive Northern Ins Co	WI	75,857,044	4.0%	0.0%	NA	NA
6 American Family Mutual Ins Co	WI	66,939,322	3.5%	3.0%	06/11/05	06/11/05
7 Progressive Halcyon Ins Co	OH	61,587,593	3.3%	-1.5%	10/20/04	10/20/04
8 Mid-Century Ins Co	CA	56,442,608	3.0%	0.0%	07/01/04	07/01/04
9 Country Mutual Ins Co	IL	41,611,793	2.2%	0.0%	NA	NA
10 Nationwide Mutual Ins Co	OH	40,073,778	2.1%	-6.3%	01/17/05	02/17/05
TOP 10		1,201,745,320	63.7%	-0.9%		
TOTAL 288 companies		1,885,621,212				

Recent rate activity for top 10 homeowner insurers in Oregon

Domicile, direct premium written as of December 2004⁵, market share, recent rate changes, effective dates

Company	Dom	Oregon premium	Market share	Rate change ¹	New business	Renewal
1 State Farm Fire and Cas Co	IL	135,495,738	27.1%	-5.4%	04/15/05 ⁶	06/01/05 ⁶
2 Farmers Ins Co of OR	OR	66,767,805	13.3%	0.0%	NA	NA
3 Safeco Ins Co of OR	OR	36,027,261	7.2%	-3.9%	11/11/04	12/21/04
4 Allstate Ins Co	IL	31,939,280	6.4%	0.0%	NA ⁴	NA
5 American Family Mutual Ins Co	WI	20,313,897	4.1%	4.7%	02/01/05	02/01/05
6 Allstate Indemnity Co	IL	18,560,358	3.7%	0.0%	NA	NA
7 Country Mutual Ins Co	IL	16,818,851	3.4%	0.0%	NA	NA
8 Foremost Signature Ins Co	MI	16,358,736	3.3%	0.0%	NA	NA
9 Mutual of Enumclaw Ins Co	WA	12,656,361	2.5%	-10.1%	07/06/05	07/06/05
10 United Services Auto Assoc	TX	10,609,416	2.1%	-1.6%	12/01/04	12/01/04
TOP 10		365,547,703	73.0%	-2.5%		
TOTAL 123 companies		500,754,007				

1 Includes motorcycle, light trucks, recreational vehicles, and motor homes. Rate activity is for personal auto insurance.

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

3 Insurer has filed for two decreases in the last 12 months. The previous decrease was for -3.2% effective 1/15/05.

4 New business is written only in Allstate Indemnity and Allstate Property & Casualty, not Allstate Insurance.

5 Includes renters, condos, manufactured homes, and coverages such as boats, golf carts, and jewelry. Rate activity applies to homeowners coverages only.

6 Insurer has filed for two decreases in the last 12 months. The previous decrease was for -5% effective 12/15/04.

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

Enforcement Actions

Recent enforcement actions against insurers and producers are summarized below. All administrative orders are available on the Insurance Division's Web site, insurance.oregon.gov. Click on *Administrative Orders*.

INSURERS

Farmers Insurance Co. of Oregon

Tigard, OR

Violation: A follow-up market conduct examination found that Farmers in 29 instances failed to comply with Oregon law governing uninsured motorist coverage limits for automobile insurance policies.

Penalty: Farmers was fined \$10,000. However, the fine is suspended until the Insurance Division conducts another follow-up market conduct examination. The fine will be withdrawn if the exam finds that Farmers complied with ORS 742.502(2) during the period examined, or reinstated if the exam shows the company didn't comply with the statute.

Date of order: July 5, 2005

The Global Healings Society

Puyallup, WA

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: May 5, 2005

Great-West Life & Annuity Insurance Co.

Greenwood Village, CO

Violation: Failed to provide an explanation of portability rights to employees losing group health insurance coverage.

Penalty: \$20,000 fine

Date of order: April 12, 2005

Great American Insurance Co. of New York

Cincinnati, OH

Violation: Compensated an unlicensed person for transacting insurance in Oregon.

Penalty: \$5,000 fine

Date of order: July 20, 2005

Health Net Health Plan of Oregon, Inc.

Tigard, OR

Violation: Denied applications for individual health insurance without informing applicants of the existence of the Oregon Medical Insurance Pool (OMIP).

Penalty: \$10,000 fine

Date of order: May 23, 2005

Mid-Century Insurance Co.

Los Angeles, CA

Violation: A follow-up market conduct examination found that Mid-Century in 51 instances failed to comply with Oregon law governing uninsured motorist coverage limits for automobile insurance policies.

Penalty: Mid-Century was fined \$10,000. However, the fine is suspended until the Insurance Division conducts another follow-up market conduct examination. The fine will be withdrawn if the exam finds that Mid-Century complied with ORS 742.502(2) during the period examined, or reinstated if the exam shows the company didn't comply with the statute.

Date of order: July 5, 2005

PacificCare Life Assurance Co.

Santa Ana, CA

Violation: Failed to provide an explanation of portability rights to employees losing group health insurance coverage.

Penalty: \$40,000 fine

Date of order: April 12, 2005

Pacific Hospital Association dba PacificSource Health Plans

Eugene, OR

Violation: A follow-up market conduct examination found that PacificSource refused to pay 16 claims without conducting a reasonable investigation.

Penalty: PacificSource was fined \$10,000. However, the fine is suspended until the Insurance Division conducts another follow-up market conduct examination. The fine will be withdrawn if the exam finds that PacificSource complied with ORS 746.230(1)(d) during the period examined, or reinstated if the exam shows the company didn't comply with the statute.

Date of order: May 23, 2005

United of Omaha Life Insurance Co.

Omaha, NE

Violation: Failed to provide an explanation of portability rights to employees losing group health insurance coverage.

Penalty: \$25,000 fine

Date of order: June 27, 2005

RESIDENT PRODUCERS

Weldon R. Atteberry

Beaverton, OR

Violation: Used a fraudulent, coercive or dishonest practice in the conduct of business.

Penalty: License revoked

Date of order: June 2, 2005

Gerald A. Frazier

The Dalles, OR

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

Penalty: \$250 fine

Date of order: Jan. 10, 2005

Michael K. Frazier

Sutherlin, OR

Violation: Misappropriated insurance premiums.

Penalty: License revoked

Date of order: July 18, 2005

Paul J. French

Bend, OR

Violation: Failed to report a criminal action. Was convicted of a crime.

Penalty: In lieu of enforcement action, French surrendered his Oregon resident producer license.

Date of order: May 20, 2005

James S. Georgen

Lake Oswego, OR

Violations: Had his limited securities license revoked by the Oregon Division of Finance and Corporate Securities. Demonstrated incompetence and untrustworthiness in the conduct of business. Failed to notify the Insurance Division that he was using an assumed business name.

Penalty: License revoked; \$8,550 fine

Date of order: June 2, 2005

Alan S. Liebenthal

Portland, OR

Violations: Used a fraudulent practice in the conduct of business. Withheld moneys from an insurer.

Penalty: License revoked

Date of order: April 18, 2005

Bristolyn M. Pfeil

LaPine, OR

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

Penalty: License revoked

Date of order: July 18, 2005

Brenda J. Sherrell

Hermiston, OR

Violation: Transacted insurance without a license.

Penalty: \$3,000 fine

Date of order: May 20, 2005

Swett & Crawford

Lake Oswego, OR

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

Penalty: \$3,000 fine

Date of order: June 9, 2005

Enforcement Actions

Town & Country Dodge, Inc.

Portland, OR

Violation: Demonstrated incompetence in the conduct of business.

Penalty: \$1,000 fine

Date of order: June 9, 2005

Willamette Pontiac, Inc. dba

Willamette Auto Group

Salem, OR

Violation: Demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

Penalty: \$1,000 fine

Date of order: May 23, 2005

Jay D. Witbeck and Senior

Benefits Group, LLC

Tigard, OR

Violations: Witbeck demonstrated untrustworthiness in the conduct of business. Senior Benefits Group did not report Witbeck's violation to the DCBS director or take any corrective action.

Penalty: Oregon individual resident producer and business entity licenses revoked

Date of order: May 19, 2005

Withnell Motor Co.

Salem, OR

Violation: Demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

Penalty: \$1,000 fine

Date of order: May 23, 2005

Darrel R. Wolff

The Dalles, OR

Violation: Engaged in dishonest business practices.

Penalty: License revoked

Date of order: Jan. 11, 2005

Eddie Kam-chung Yen

Portland, OR

Violations: Failed to account for and maintain premiums in a trust account. Improperly withheld, misappropriated or converted premiums. Illegally withheld premiums from an insurer. Failed to timely deposit premium funds. Made a false statement on an insurance application.

Penalty: License revoked

Date of order: July 5, 2005

NONRESIDENT PRODUCERS

Crystal Christian

Colorado Springs, CO

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

Penalty: License revoked

Date of order: April 25, 2005

Roger W. Crooke

New Market, TN

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

Penalty: License revoked

Date of order: June 6, 2005

Richard W. Endlar

Insurance Agency, Inc.

Needham, MA

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

Penalty: \$1,000 fine

Date of order: June 7, 2005

Russell J. D. Garcia

Fredericksburg, VA

Violation: Is not licensed in his resident state.

Penalty: License revoked

Date of order: June 6, 2005

Matthew J. Morgan

Houston, TX

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

Penalty: In lieu of enforcement action, Morgan surrendered his Oregon nonresident producer license and agreed never to apply for another insurance license in Oregon.

Date of order: June 6, 2005

Racheal R. Tartaglia

Fredericksburg, VA

Violation: Is not licensed in her resident state.

Penalty: License revoked

Date of order: June 6, 2005

Legislature

Continued from Page 1

comply with the same investment limits as commercial insurance carriers, was incorporated into SB 462. The governor has signed the bill.

- **HB 2160 — Technical cleanup**

This bill, which would make technical changes to various Insurance Code provisions, has been signed by the governor.

- **SB 116 — Market assistance plans/joint underwriting associations**

This bill would have removed administrative barriers to forming a MAP and removed the requirement that a MAP must be formed and found ineffective before a JUA may be formed. It did not move out of committee.

Producers

Continued from Page 1

Web site, www.insurance.oregon.gov.

The Insurance Division is also reviewing information it requested from 26 large insurers and 11 large insurance brokers to determine if improper solicitation or compensation activities has occurred or is occurring in Oregon. Fifteen large commercial insurance buyers also have asked the Insurance Division to review their insurance transactions to see if they were appropriately handled.

The Insurance Division is collaborating with other state insurance departments and the Oregon Department of Justice on the investigation.

Personnel

Promotions

- **Greg Lathrop**, to supervising insurance examiner, Financial Regulation Section. He had been a financial analyst.

New employees

- **Frank Caingoy**, investigator, Market Surveillance Unit
- **Laura Lanssens**, licensing technician, Producer Licensing Unit

- **Tim Oglesby**, financial analyst, Financial Regulation Section

Professional designations earned

- **Dave Dahl**, casualty actuary, Casualty Actuarial Society Fellow
- **Rolf Junge**, rates and forms analyst, Chartered Financial Consultant (ChFC)

Marsh clients eligible to receive \$8 million

The nation's largest insurance brokerage firm has agreed to pay its Oregon clients more than \$8 million in restitution as part of a national settlement to resolve allegations of bid rigging and other anti-competitive practices.

Marsh & McLennan Companies, Inc., agreed to pay a total of \$850 million in restitution to clients nationwide. The settlement stems from an investigation by New York's insurance department and attorney general last fall, in which it was alleged that Marsh cheated insurance purchasers, primarily corporate clients, by rigging bids and collecting large fees from insurers for steering business their way.

Marsh mailed restitution offers to 4,173 Oregon account holders in May, including businesses, government agencies, and individuals. The actual number of Marsh's Oregon clients eligible for restitution may be smaller than 4,173 because some

clients have multiple accounts. Settlement offers ranged from about \$10 to more than \$800,000 and are based on a no-fault formula related to the amount of relevant commission paid.

The settlement covers the period from Jan. 1, 2001, through Dec. 31, 2004. Marsh clients have until Sept. 20, 2005, to accept the proposed settlement. Clients who accept the settlement must sign a release forfeiting the right to pursue claims against Marsh. Those who elect not to accept the settlement can pursue legal remedies on their own.

Marsh clients with general questions about the settlement may contact the Insurance Division's Consumer Advocacy Unit, (888) 877-4894 (toll-free in Oregon).

Marsh also has set up a special settlement Web site, www.marshsettlement.com, and a toll-free help line, (800) 406-1541.

The *Oregon Insurance Regulator* is published three times a year by the Insurance Division of the Department of Consumer & Business Services (DCBS), PO Box 14480, Salem, OR 97309-0405.

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DCBS Director: Cory Streisinger
Editor: John Piper



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