



NEWS RELEASE

Insurance Division 350 Winter St. NE, Room 440

Salem, Oregon 97301-3883

For Immediate Release
March 5, 2007

Contact: John Piper
503-947-7213

STATE FINES HEALTH INSURERS \$70,000

Investigation finds thousands of claims handled improperly

The Department of Consumer and Business Services (DCBS) has fined two Wisconsin health insurers a total of \$70,000 for numerous violations of Oregon insurance regulations.

Time Insurance Co., formerly known as Fortis Insurance Company, was fined \$60,000, while John Alden Life Insurance Company was fined \$10,000. Both companies are based in Milwaukee and market health insurance policies under the trade name of Assurant Health.

After receiving consumer complaints about how the companies handled claims, the DCBS Insurance Division investigated and found widespread violations affecting claims submitted by thousands of policyholders, as well as other problems.

Violations included refusing to pay or underpaying claims without conducting a reasonable investigation, failing to comply with claim notification requirements, improperly using claim information to evaluate the health status of applicants, failing to give claimants credit for prior insurance coverage, and using a policy form that wasn't approved by the Insurance Division.

"With health insurance premiums continuing to rise, it is imperative that consumers get the full coverage they've paid for," said Joel Ario, Insurance Division administrator. "To their credit, the insurers have paid claims that were improperly denied or underpaid, and recently implemented several initiatives to improve compliance with the insurance laws of all states in which they do business."

#####

The Insurance Division, part of the Department of Consumer and Business Services, helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products. For more information, go to www.insurance.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.