

Director's Office, 350 Winter St. NE, Room 200, Salem, Oregon 97301-3878

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For more information:
John Piper, 503-947-7213 or
Diane Childs, 503-947-7868

State fines former Marsh insurance executive

Case involved overbilling public entities for coverage

(Salem) – The Oregon Department of Consumer and Business Services (DCBS) has fined a former executive of insurance broker Marsh USA, Inc. for her role in overcharging public entities for insurance coverage.

Debora A. Leopold-Hutchins, who was fined \$6,000, is the last of three former Marsh USA vice presidents sanctioned by DCBS in connection with the overbilling.

Following an investigation by the DCBS Insurance Division, Marsh USA was fined \$75,000 in November 2005 for overcharging 22 public entities, including school districts, community colleges, counties, and cities. The overbilling occurred from 1999 to 2004 and involved accounts in which the company contracted to provide insurance brokerage services for an agreed-upon fee. In the 22 cases, Marsh also collected commissions in violation of its contracts with the public entities. The commissions were not readily apparent because they were included in premium charges on Marsh's billing statements. Marsh has returned or credited the excess payments to the public entities.

In earlier action against former Marsh vice presidents, Patsy G. Hanson of Tualatin surrendered her insurance agent's license in April 2007 in lieu of enforcement action, and in March 2006 DCBS revoked the license of Robert H. Lilly of Gresham.

DCBS said Leopold-Hutchins and Hanson should have prevented the overbilling because of their positions. Lilly's license was revoked for using a dishonest practice in the conduct of insurance business.

"The violations by these Marsh executives hurt not only Marsh's clients, but also the Oregonians who rely on those public entities to provide services effectively with limited taxpayer dollars," said Cory Streisinger, DCBS director.

Marsh said it has instituted reforms to ensure insurance contracts are properly documented and followed, and to ensure full disclosure of all compensation it receives.

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The Insurance Division, part of the Department of Consumer & 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, visit 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.