

Administrator's message



Teresa Miller

Many of you face the task of delivering news to your clients about health insurance rates for the coming year. Even though medical costs generally drive rate increases, every rate change tells its own story. Every insurance company has its own history, its own array of health plans and pricing, its own degree of success in setting premiums to cover claims, its own enrollment patterns, and so on. In other words, many unique factors go into each rate request.

As part of an overall effort to make the rate review process open and accessible to the public, the Insurance Division is investing a lot of time in explaining the rates we approve in the individual, small employer, and portability markets. You can find these decision summaries on our Web site.

This may give you additional insight into what is happening with a particular company, why a particular rate increase might be outside the average, and what insurers are doing to control costs. Here are samples of recent summaries:

- » The division approved a 22.8 percent annual rate increase for Health Net individual health plans because the company lost money on the plans for the four prior years. By maintaining lower premiums in recent years, Health Net anticipated more policies would be sold; however, since the company hasn't realized the expected growth in this line of business, it is necessary to increase premiums.
- » The division approved a 14 percent annual increase for small employer plans offered by ODS. Although medical claims and prescription drug costs were up 10.5 percent the past year, the company suffered an 8.5 percent loss last year on these plans. The increase is intended to allow the company to cover its future costs of providing this coverage.
- » The division approved a 10.57 percent annual increase for small employer plans offered by PacificSource, even though medical claim costs increased 13 percent the past year and prescription drug costs were up 11.5 percent. The company made several changes to contain claims costs, including a new contract for pharmacy benefits.

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The best way to get this information is to sign up on our Web site to receive an e-mail when the insurers of your choice file a rate change request. This e-mail will give you a link to the rate request and you can even comment if you want or read comments of other people. When we make a decision you will get another e-mail with a link to the decision summary. This page explains how to sign up for the e-mails: http://insurance.oregon.gov/insurer/rates_forms/health_rate_filings/health-rate-filing-search.html.

By the way, I was very interested in the latest federal government Medical Expenditure Panel Survey showing premium trends and where Oregon ranks in comparison to other states. Not surprisingly,

premiums are going up nationwide. The average monthly group premium for family coverage in Oregon was \$1,049 in 2008, up from \$738 five years earlier. The average for a single employee was \$365 in 2008 compared to \$280 five years earlier.

Oregon ranked 20th among all states and the District of Columbia in the amount paid in premiums for family coverage among employers of all sizes. We ranked 25th in the amount paid for family coverage offered by small employers.

While none of us likes to deliver news of rate increases, we hope to do a better job of explaining to you and to all Oregonians why this is happening. ●

Insurance agent fails to protect personal information

The Department of Consumer and Business Services (DCBS) recently took action against a Portland insurance agent who tossed insurance records containing personal information into an unlocked garbage dumpster outside his office.

The department issued a cease-and-desist order against the agent for violating the Oregon Consumer Identity Theft Protection Act and the Oregon Insurance Code. Some of the more than 1,000 business records that were dumped contained clients' Social Security numbers, driver license

numbers, bank account numbers, and credit card numbers with their expiration dates.

Any Oregon business or organization that collects personal data must comply with the Oregon Identity Theft Protection Act. Learn more at www.dfcs.oregon.gov. Click on Identity Theft. You can also call the Division of Finance and Corporate Securities at 1-866-814-9710 or 503-378-4140. To see the order against the agent, visit <http://dfcs.oregon.gov/securities/enf/orders/ID-09-0027.pdf>. ●

Misleading credentials

The Insurance Division adopted rules that penalize insurance agents, financial advisers, and anyone else who uses false or misleading credentials in the sale of insurance and financial products. Agents and others are prohibited from using a title they haven't earned or that they made up. They can't imply qualifications or expertise that, in fact, they lack.

The rules are intended to separate people who hold legitimate titles earned through hours of coursework covering complex financial products from people using bogus titles as marketing ploys. Oregon's rules protect all investors, not just seniors, from false or misleading designations.

Credentials from certain accrediting organizations are presumed valid. Credentials are suspect, for example, if they come from an organization that primarily teaches about sales/marketing and that lacks reasonable continuing education requirements.

Find newly adopted rules on this page: http://insurance.oregon.gov/rules/recent_admin_rules.html.

Violators can face civil penalties of up to \$20,000 per violation and actions against their securities and insurance licenses, including denial, suspension, or revocation. The appropriate sanction will depend on the facts of the case. ●

Federal subsidies for involuntary job loss

Oregonians who lose their jobs through the end of 2009 may still qualify for nine months of federal subsidies to help pay health insurance premiums. This means that an eligible worker who loses a job and group health insurance on or before Dec. 31, 2009, could get help paying insurance premiums for nine months continuing into 2010.

The federal stimulus package pays 65 percent of premiums for many workers who involuntarily lose their jobs and who choose to continue their former

employer's group coverage under COBRA or state continuation laws. Thus, the subsidy program requires that the former employer remain in business and continue to offer health insurance.

Find more about the American Recovery and Reinvestment Act of 2009 (ARRA) and the health insurance help at our Web site: <http://insurance.oregon.gov/consumer/consumer-issues/federal-stimulus-info/federal-stimulus-info.html>. ●

Total loss bill takes effect Jan. 1, 2010

Oregonians who total their vehicles have additional consumer protections starting Jan. 1, 2010. House Bill 2190, the division's total-loss legislation, requires insurers to:

- » Provide vehicle owners any valuation or appraisal reports and a notice containing additional information about total loss
- » Reimburse their insured for reasonable appraisal costs when the final appraisal decision is greater than the insurer's final offer
- » Pay the undisputed amount of the value of the vehicle up front under certain circumstances while negotiations continue

House Bill 2190 requires the division to promulgate rules to develop the notice required by the bill. The division held an advisory committee meeting in September to discuss the draft notice and filed proposed rules with the Secretary of State in October. You can view the proposed rule and notice at http://www.insurance.oregon.gov/whatsnew_prop_admin_rules.html.

The division will hold a public hearing on the proposed rule at 1 p.m. Dec. 4, 2009. You may provide comments on the proposed rule until Dec. 11, 2009. ●

Proposal to increase guaranty fund protection for annuities

The Oregon Senate Consumer Protection Committee voted in September to introduce our proposal to increase annuity guaranty fund protections during the February 2010 legislative special session.

Just as bank deposits are protected by the Federal Deposit Insurance Corp. (FDIC), money that consumers invest in annuities – and other insurance products – is protected by Oregon's guaranty associations. Although sales of annuities and the amount of a typical annuity have grown, the coverage limit in Oregon for annuities has not increased since 1991. The limit currently is \$100,000. This is lower

than the \$250,000 FDIC coverage limit as well as the level recommended by the National Association of Insurance Commissioners (also at \$250,000). Neighboring states Washington and Idaho also have much higher limits.

To better protect Oregon annuities' purchasers, the Insurance Division proposed increasing the annuities benefit limit from \$100,000 to \$250,000. This change would provide more confidence to consumers about the safety of their investments and create consistency for consumers as they manage their money. ●

Producer licensing: Furloughs and fingerprints

By Jim Thompson, manager, Producer Licensing

You may have heard that statewide budget cuts have forced Department of Consumer and Business Services employees to take mandatory unpaid furlough days throughout the current biennium. Some of these furlough days fall very close to the end of the month when many people are trying to renew their licenses. If the information required to renew the license is submitted on or before the last day of the month, the submission is considered timely. The furlough days will not affect the status of a license.

On Sept. 1, 2009, the Insurance Division began conducting fingerprint-based background checks for all applicants seeking an initial resident license. The fingerprint cards that are submitted with the application are being checked against both state and federal records. Any new applicant for a resident license must now, in addition to existing documents and fees required to obtain a license, submit the Criminal Records Request (Form 4862) and \$47.25 to cover the cost of the background check.

As a result of this new procedure, we've revised the resident producer application processing statistics that are posted on our Web site: <http://insurance.oregon.gov/producer/licensing-processing-stats.html>.

Instead of showing the date we received the application, we're posting the date we received the results of the background checks.

Example: The page says "Processing status as of December 1, 2009." Next to resident producer you see a date of Nov. 15, 2009. This means that as of Dec. 1, we're processing applications for which background check results were received on Nov. 15.

With this change, applicants will no longer be able to use the information posted to our Web site to readily determine the status of their individual applications. When we receive an application, the first thing we do is cash your check; then we ask the Oregon State Police (OSP) to run the background checks. Although we can't guarantee how long it will take to get the results from OSP, it typically takes about seven to 10 days. You can generally expect your application to be processed about 10 days from the date we cashed your check. ●

Gail Duncan: We miss her

Gail Duncan, our so-very-sharp property and casualty insurance analyst, came to work at the Insurance Division as a file clerk when she was just 19. At that time, the insurance policies and papers she filed for Rates and Forms actually were paper. She stayed 40 years, through the transition to a largely paperless system, and developed an expertise in reviewing commercial property and casualty policies for compliance with laws. She met another analyst here, Harvey Sherman, who became her husband. They married in the bandstand on the Capitol grounds, not far from the Insurance Division. A quiet and private person, Gail worked up until she was hospitalized a final time for cancer, rarely mentioning her illness to co-workers. She passed away Oct. 26, 2009. We miss her commitment to her work and her friendship. ●

Other state programs

Oregon Medical Insurance Pool (OMIP) 2010 Premium Rates

The OMIP board increased premium rates an average of 12.5 percent, effective Jan. 1, 2010, in order to keep pace with medical costs.

Overall, OMIP medical plan rates will cost about 17 percent more than similar commercial plans. Because premiums don't cover all costs of the program, insurers pay an assessment for each person they cover. That will amount to \$4.33 monthly from January through June 2010.

OMIP portability rates are tied to the average portability premiums in the commercial market. The \$750 deductible plan will increase 21 percent and the \$1,500 deductible plan will increase 16 percent.

OMIP medical condition list

Based on a consensus of insurance carriers, OMIP added four medical conditions to the conditions list on its application. People who have a condition on the list don't need to first apply to a commercial carrier for coverage because the carriers have agreed they would be declined.

- » Blood coagulation disorder
- » Dementia
- » Liver failure
- » Emphysema

Also, these three broad categorizations will be replaced with more specific conditions:

- » Psychotic disorders: Now only schizophrenia and dementia
- » Eating disorders: Now only anorexia and bulimia
- » Anemia: Now only aplastic, sickle cell, and splenic anemia

Member Handbook Update/Expansion

The 2010 OMIP member handbook will now include the benefit summary, rates, and application. This new handbook will be available by the end of the year.

OMIP will fund new benefits with federal grant

OMIP will use a \$1.2 million federal grant to fund the following programs:

1. Zero cost influenza vaccination program
2. Zero generic copayment for all preferred brand diabetic supplies (excluding pumps), insulins, and generic medications
3. Zero generic copayment, for specific evidence-based generic maintenance medications (cholesterol, blood pressure, antidepressants)
4. Free Weight Watchers® program

Senior Health Insurance Benefits Assistance (SHIBA)

The 2010 Oregon Guide to Medigap, Medicare Advantage & Prescription Drug Plans is now available online. You can find instructions for ordering a copy at <http://www.oregon.gov/DCBS/SHIBA/index.shtml>.

Medicare's fall enrollment got under way Nov. 15, and SHIBA is a resource for both you and your clients. The DCBS program provides free counseling to Medicare beneficiaries as well as agents and others. The toll-free number is 1-800-722-4134.

Office of Private Health Partnerships (OPHP)

This agency's statewide continuing education (CE) training seminars continue through Dec. 17. The free seminars are approved for two hours law CE for insurance producers in Oregon and Washington, and for the Oregon Board of Pharmacy. The training covers:

- » Oregon health care reform
- » The new Oregon Health Authority
- » Healthy Kids Program
- » Family Health Insurance Assistance Program (FHIAP)
- » Oregon Medical Insurance Pool (OMIP)

Register online at www.ophp.oregon.gov or by calling 503-378-5244.

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Oregon Vehicle Code – driver and motor vehicle services

Senate Bill 127, passed by the 2009 Legislature, primarily modifies language and repeals provisions of financial responsibility laws that are obsolete in Chapter 806 of the Oregon Vehicle Code. The bill clarifies requirements for DMV, the public, law enforcement, and insurance industry personnel.

Insurance carriers, for example, have reporting deadlines for certain information involving crashes with uninsured drivers. Effective Jan. 1, 2010, insurers have 60 days to respond to insurance verification inquiries received from DMV (ORS 806.170). Insurers also must report an uninsured accident to DMV within 60 days from when the carrier first has reason to believe a person was operating a vehicle uninsured (ORS 806.170).

Read the bill: <http://www.leg.state.or.us/09reg/measpdf/sb0100.dir/sb0127.en.pdf>. For more information, contact Mary Grosso, Oregon DMV/Driver Programs, at 503-945-5520, or by e-mail at mary.i.grosso@odot.state.or.us.

Motorcycle insurance discount

A law passed by the 2009 Legislature requires insurers to offer a discount on motorcycle insurance to riders who complete a qualified motorcycle rider education course. House Bill 2370 requires insurers offering liability, personal injury protection, or collision coverage to provide the discount to the principal operator of a motorcycle who completes the course.

Only one motorcycle per principal operator is eligible for the discount and the motorcycle must not be used for business. If an insurance policy covers motorcycles and other vehicles, the premium discount is limited to the motorcycle portions of the policy. This bill applies to motor vehicle insurance policies issued or renewed on or after Jan. 1, 2010. Qualified motorcycle education programs are developed in a cooperative venture with TEAM OREGON, the Oregon Department of Transportation, and Oregon State University. Visit the TEAM OREGON Web site to see about classes: http://teamoregon.orst.edu/TO_Web/whoarewe.html.

Motorcycle laws

Oregon Department of Transportation

The 2009 Oregon Legislature passed several other laws that affect motorcyclists. The Oregon Department of Transportation's Transportation Safety Division wants to make sure insurance providers are aware of the new laws.

The law requiring a discount on motorcycle insurance goes hand in hand with Senate Bill 546. Beginning Jan. 1, 2011, Senate Bill 546 will require everyone seeking a motorcycle-endorsed driver license for the first time to take an approved motorcycle safety training course. The requirement is phased-in over a five-year period and is based on the age of the rider. Under this bill there will be more trained motorcyclists on the road. Previous legislation to require those under 21 to take motorcycle safety training has been extremely successful at reducing motorcycle deaths and injuries.

Another new motorcycle-related law is Senate Bill 124, which increases the penalty for riding a motorcycle without a motorcycle endorsement from a Class B (\$360) to a Class A (\$720) violation as of Jan. 1, 2010. The law also requires a court to suspend the fine for the violation if the rider completes training and receives a motorcycle endorsement within 120 days of sentencing.

For more information, visit ODOT's Motorcycle Safety Program Web site, www.oregon.gov/ODOT/TS/motorcyclesafety.shtml. For details about the new laws including text of the bills, visit the Oregon Legislature's Web site, www.leg.state.or.us. ●

Guaranteed Living Benefits: What you and your clients need to know

By Janice Hart, Individual Annuity Analyst

Guaranteed living benefits (GLBs) can be beneficial to individual annuity consumers in the right circumstances but require clear disclosure of complex benefits, including costs, risk, and limitations. The most common guarantees include:

- » Guaranteed minimum income benefits (GMIB)
- » Guaranteed minimum withdrawal benefits (GMWB)
- » Guaranteed accumulation benefit (GAB)

Here are some of the issues you and your client should consider. For the most part, we will concentrate on guaranteed minimum withdrawal benefits, which have been among the most popular guarantees.

Your clients may find guarantees beneficial, especially when the stock market is performing poorly. On the other hand, they may be costly for several reasons:

1. Insurer fees
2. Insurer restrictions that limit investments to less risky subaccounts (to reduce an insurer's exposure to stock market declines)
3. The insurer may retain the right to reallocate funds to a more conservative account if the market drops precipitously

Other concerns

Excess withdrawals: Taking out more than the maximum allowed under the benefit can cause a recalculation of benefits, resulting in vastly reduced benefits or perhaps even termination of benefits. Withdrawals may be required to be taken pro-rata from the contract. It's possible a surrender charge may apply to any withdrawal or to the excess withdrawal amount.

Maximum benefit limit: There may be a maximum amount of combined contract values from all the contracts owned by a specific owner with the same insurer that may be used for the calculation of the benefit. Often, there may be a maximum amount of value from any one contract that may be used to calculate the benefit (sometimes called the

benefit base). Usually, the amount of the benefit is a percentage of the benefit base and placing a maximum on the benefit base acts to limit the benefit to the consumer.

Premium/Age/Year restrictions: Some of these benefits may limit the amount of premium or the number of years premium payments may count toward the calculation of the benefit. The owner or annuitant may have to wait a certain number of years or reach a certain age before he or she is eligible for the benefit.

Reset: Some benefits require a reset of the benefit calculation rather than the policy owner electing to reset the benefit level; a reset may increase the cost of the benefit. It may be possible in some cases to elect out of the reset and keep the cost from increasing but that might eliminate any future resets.

Carry over: Typically, if the maximum allowable amount is not withdrawn each year it's available, the unused amount is not carried over or available in future years.

Increased withdrawal: Some GLBs allow an owner to withdraw more than normally allowable due to confinement in a nursing home, terminal illness, or in some tax-qualified retirement plans for a required minimum distribution.

Bonus/credit: This might be available if withdrawals aren't taken for a specified number of years.

Change in annuitant and/or owner: In some cases, this change may allow the insurer to terminate the benefit. It may not be possible for the policy owner to terminate these benefits independently of the base contract, which means if the underlying investments selected by the policy owner do well, the cost is still deducted unless the contract itself is terminated by the policy owner.

Due to increased costs of providing these guarantees, some insurers have recently stopped selling some of these benefits. Other insurers have increased the premiums, decreased the benefit levels, and/or increased the waiting periods or ages at which the benefit may be exercised. ●

Risk-focused financial examinations

By Russell Latham, manager and chief examiner, Financial Regulation

Why didn't the "experts" see it coming? How many times have we heard that question asked in the aftermath of the financial crisis of 2008?

Anticipating problems is essential to a new way the Oregon Insurance Division conducts financial exams of insurance companies. The changed method is required to meet the National Association of Insurance Commissioner accreditation standards on all examinations that begin after Jan. 1, 2010 – and we are enthusiastically changing the way we do business.

The bottom line: Instead of focusing on traditional balance sheet numbers, our financial examiners will spend more time probing the validity of those numbers and the systems insurers have to identify and avoid the risk of overstating investments, understating claims liabilities, or misstating other items reflected in financial statements.

While our examiners will continue to use internal auditor reports and external CPA work papers, they will also interview senior management and board of

director members to gain a better understanding of a company's operations and the controls it uses to prevent misstatement of account balances.

We might target specific portions of the financial statements or review specific operations of an insurer. This is very different than sitting down with the financial statements to verify the accuracy of historical financial data. The new approach looks prospectively at a company's operations to ensure controls are in place to avoid material misstatement in financial statements and operations are consistent with board of director expectations.

The Insurance Division is using the new approach on its examinations of The Regence Group of companies and Oregon Mutual and Western Protectors Insurance Companies. The Regence exam will be done with the Utah Department of Insurance. ●

Consumer liaison

Our new consumer liaison is a Willamette University law school graduate who has a strong advocacy background and will be able to reach out to stakeholders and consumer groups and assist in bringing the consumer perspective to daily discussions at the Insurance Division.

Rachel Oh, who was born and raised in Portland, spent almost two years as a research coordinator for Our Oregon, a nonprofit organization focusing on

economic fairness, consumer issues, and initiative campaigns. She researched and provided legal analysis on state and national statutes, codes, and policy interpretations on various topics, including tax, labor, criminal law, and education. In addition to working with stakeholders and consumer groups, Rachel will play a key role in educating the public about insurance-related issues impacting consumers. ●

Enforcement actions

This Regulator lists key orders from July through October 2009. Additional orders for 2009 and years past are posted at: http://insurance.oregon.gov/admin_actions/adminact.html.

Insurance companies

Marketplace orders

Bankers Life and Casualty Company

Carmel, Ind.

Violation: Terminated agents without sufficient notice

Penalty: \$2,000

Date of Order: 09/17/2009

Progressive Classic Insurance Company

Cleveland, Ohio

Violation: Refused to pay claim without conducting a reasonable investigation. The company initially denied a claim for personal injury benefits under an automobile policy without checking to see that the claimant was, in fact, covered under the policy.

Penalty: \$3,000

Date of Order: 10/05/2009

Financial Orders

Penn Treaty Network America Insurance Company

Allentown, Penn.

Findings: The State of Pennsylvania commenced delinquency proceedings against Penn Treaty. The company failed to maintain at least \$2.5 million in capital and surplus as required under Oregon law.

Order: Suspension of certificate of authority.

Date of Order: 09/17/2009

Preferred Health Plan, Inc.

Klamath Falls, Ore.

Findings: Continues to have capital and surplus below the \$2.5 million required by law. Continues to have excessive operating losses in relation to capital and surplus.

Order: Continues previous suspension of certificate of authority and extends supervision through Nov. 13, 2009.

Date of Order: 09/14/2009

Filing

A number of companies filed their Oregon Insurance Guaranty Association recoupment assessment certification late and received penalties ranging from

\$1,100 to \$2,900. See the orders for those and other filing violations at http://insurance.oregon.gov/admin_actions/actions_2009/filing_actions.html.

Contested Rate Filing

Petition of Karen I. Kirsch contesting the approval of a Regence BlueCross BlueShield of Oregon rate filing.

Order: DCBS director adopts Office of Administrative Hearings order that found DCBS applied the correct standards and followed the correct procedure in approving the Regence rate filing.

Date of Order: 09/02/2009

Producers

Frazier, Gerald A

The Dalles, Ore.

Violation: Demonstrated incompetence by failing to verify information before signing a certificate of liability insurance required by a state agency for an auto dealer.

Penalty: Fined \$5,000

Date of Order: 08/19/2009

Holmes, David W. dba Three Rivers

Financial Group

Grants Pass, Ore.

Violation: Failed to make reasonable inquiry into person's circumstances before recommending annuity transactions. Made false statement on an insurance application. Failed to report violation of insurance laws to the DCBS director.

Penalty: Holmes' Oregon resident producer insurance license suspended from 8-1-09 through 9-30-09 and he is fined \$2,000. Three Rivers surrenders its Oregon resident insurance producer license and agrees not to reapply.

Date of Order: 08/18/2009

Marbell, Dennis W.

Bend, Ore.

Violation: Forged names on three applications to reinstate life insurance.

Penalty: Fined \$3,000

Date of Order: 08/25/2009

Mohs, Nicolasa

Salem, Ore.

Violation: Failed to report administrative actions by two other state agencies, the Government

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Enforcement actions, continued

Standards and Practices Commission and the Teachers Standards and Practices Commission. Made fraudulent statement on an insurance application by submitting a life insurance application for her father to an insurance company even though she knew he hadn't applied for the policy. Additionally, she forged the signature of another insurance agent on the application and was aware that her mother forged her father's signature on the application. Made false statement to the DCBS director about the date she submitted the life insurance application to the insurance company.

Penalty: Expired Oregon resident insurance producer license revoked.

Date of Order: 09/28/2009

Morgan, Danette E

Dallas, Texas

Violation: Nonresident insurance license revoked by insurance regulators in other states. Failed to report administrative action by another state's regulator.

Penalty: Expired, nonresident insurance producer license revoked.

Date of Order: 07/31/2009

Unruh, Cindy L., aka, Demoss, Cindy L Salem, Ore.

Violation: Made false or fraudulent statements on 25 applications for disability insurance by misstating applicants' income. Agent received \$2,160.42 in commissions on the transactions.

Penalty: Oregon resident insurance producer license revoked. Unruh agrees never to reapply for license or work for other insurance agent or agency.

Date of Order: 08/20/2009

Whitlock, Lance J

Eugene, Ore.

Violation: Forged names of two people on documents related to insurance transactions.

Penalty: \$2,000

Date of Order: 10/06/2009

Williams, Debra L., formerly Hanes, Debra L

Redmond, Ore.

Violation: Forged a client's name on an amendment to a life insurance policy application.

Penalty: Fined \$1,000

Date of Order: 08/25/2009 ●

Insurer enrollment data

Maybe you're an insurance "junkie" and really like to follow enrollment trends of the carriers. The Insurance Division now produces color charts that can give you an idea of enrollment trends at a glance. You can look up the data by individual insurance company. Hover

over the bars on the chart to get exact enrollment numbers. The charts are available at <http://insurance.oregon.gov/sehi/annual-comparison-charts.html>. ●

Policy analyst

John Atkins, our new policy analyst, comes to us from the Legislature. He previously worked as a legislative assistant for state Sen. Suzanne Bonamici during the 2009 session, and for state Rep. Greg Macpherson during the 2007 session. He also interned twice at the legislature, both times with then-Rep. Brad Avakian. He has experience with a variety of issues, including

several pieces of insurance-related legislation from the 2009 session, particularly Senate Bills 377 (re-rating of some insurance policies) and 973 (life settlements). Born in Washington, D.C., John has lived in Oregon since he was 18 months old. He graduated from Willamette University with a degree in economics in 2006. ●

Administrative rules and bulletins

Visit our Web site to find links to these recently adopted rules: www.insurance.oregon.gov

- **Adopts permanent rules governing federal subsidy for state program for continuation of health benefit plans (ID 08-2009):** These permanent rules extend state continuation to nine months for Oregonians whose former employer has fewer than 20 workers. Other provisions allow Oregonians to take full advantage of federal premium subsidies under the American Recovery and Reinvestment Act of 2009. The rules allow, for example, an independent election of coverage for qualified beneficiaries, establish notice requirements for insurers, and generally enable Oregonians who are covered by state continuation to receive the same level of subsidy benefits as Oregonians who are covered under COBRA law. *Effective: Oct. 23 2009*
- **Adopts temporary Oregon administrative rules relating to implementation of one percent health insurance premium assessment (ID 09-2009 Temporary):** These rules clarify certain terms, information about reporting requirements relating to the assessment and requirements for an insurer that adds the 1 percent assessment to an existing approved rate. The assessment on certain health insurance premiums took effect Oct. 1, 2009. The division will adopt permanent rules to replace these temporary rules. *Effective: Oct. 1, 2009, through March 26, 2010*
- **Amends Oregon Administrative Rules eliminating use of guaranty contracts as proof of coverage with Workers' Compensation Division (ID 06-2009):** Amends rules to comply with 2007 legislative changes to Oregon workers' compensation laws. *Effective: Aug. 14, 2009*
- **Amends Oregon Administrative Rules involving physician credentialing and recredentialing in connection with health care service contractors (ID 05-2009):** The applications allow collection of uniform information needed by health care service contractors to credential and re-credential physicians seeking designation as participating providers for health plans. The changes bring Oregon standards into compliance with national and federal standards. *Effective: Oct. 1, 2009*
- **Adopts Oregon Administrative Rules relating to treatment of reinsurance reserve credits or assets under agreements entered prior to Nov. 9, 1995 (ID 04-2009. Temporary):** NAIC accreditation standards require states to have a law or rule that requires insurers to reduce to zero any reserve credits or assets established with respect to existing reinsurance agreements entered into prior to the effective date of the Life and Health Reinsurance Agreements Model Regulation. A prior Oregon law requiring this was repealed, apparently by mistake. *Effective: July 8, 2009, through Dec. 24, 2009*

2009 Bulletins

- **2009-9: House Bill 2116 and the Health Insurance Premium Assessment.** This bulletin clarifies such issues as what premiums are subject to the 1 percent assessment and how to calculate the assessment.

This bulletin and past bulletins can be found at <http://www.insurance.oregon.gov/bulletins.html>. ●

Consumer page of Web site

Visit the Insurance Division's new consumer page to see our Ask Ron insurance column. Behind the column is a real Ron. It's Ron Fredrickson, manager of our Consumer Advocacy unit. Ron is a veteran of the insurance industry, primarily in claims and claims management. Check out the page at <http://insurance.oregon.gov/consumer/consumer.html>. ●

Recent rate activity

TOP 10 OREGON HOMEOWNERS INSURERS AS OF DECEMBER 2008

Domicile, Direct Premium Written, Market Share, Recent Rate Activity

	NAME OF COMPANY	DOM	DIRECT PREMIUM WRITTEN	MARKET SHARE	RATE EFFECTIVE DATE		
					ACTIVITY	New	Renewal
1	State Farm Fire and Cas. Co.	IL	149,040,750	25.57%	5.3%	07/15/09	09/01/09
2	Farmers Ins. Co. of OR	OR	67,369,056	11.56%	13.0%	02/16/09	02/16/09
3	Safeco Ins. Co. of OR	OR	36,337,076	6.23%	0.0%	n.a. (1)	n.a. (1)
4	Allstate Ins. Co.	IL	24,603,963	4.22%	27.0%	08/03/09	09/17/09
5	Country Mut. Ins. Co.	IL	23,649,063	4.06%	2.1%	09/07/09	09/07/09
6	American Family Mut. Ins. Co.	WI	22,801,680	3.91%	0.0%	10/01/09	10/01/09
7	Foremost Signature Ins. Co.	MI	18,852,899	3.23%	-5.9%	7/1/09 (3)	7/1/09 (3)
8	Farmers Ins. Exch.	CA	18,053,364	3.10%	14.8%	02/16/09	02/16/09
9	Allstate Ins. Co.	IL	17,520,955	3.01%	15.2%	11/02/09	12/17/09
10	Allstate Prop. & Cas. Ins. Co.	IL	14,019,973	2.41%	30.0%	08/03/09	09/17/09
	TOP 10		392,248,779	67.3%	8.2%		
	TOTAL 120 COMPANIES		582,796,809				

Premiums includes renters, condos, manufactured homes, and coverages such as boats, golf carts, and jewelry.

Rate activity applies to homeowners coverages only.

- (1) Company has not filed a rate change in the past 12 months.
- (2) As of April 1, 2006, new business is written only in Allstate Property and Casualty Insurance Company and Allstate Fire and Casualty Insurance Company.
- (3) This is a rate change for mobile homeowners, which has \$18.6 million in premium and comprises much of the insurer's written premium in this line.

TOP 10 OREGON AUTOMOBILE INSURERS AS OF DECEMBER 2008

Domicile, Direct Premium Written, Market Share, Recent Rate Activity

	NAME OF COMPANY	DOM	DIRECT PREMIUM WRITTEN	MARKET SHARE	RATE EFFECTIVE DATE		
					ACTIVITY	New	Renewal
1	State Farm Mut. Auto Ins. Co.	IL	351,538,437	17.53%	0.0%	10/19/09	10/19/09
2	Farmers Ins. Co. of OR	OR	277,051,363	13.82%	1.9%	6/1/2009 (3)	6/1/09 (3)
3	Safeco Ins. Co. of OR	OR	133,393,518	6.65%	0.6%	04/02/09	04/02/09
4	Progressive Classic Ins. Co.	WI	77,610,655	3.87%	0.0%	n.a. (1)	n.a. (1)
5	Progressive Universal Ins. Co.	WI	76,757,919	3.83%	0.0%	n.a. (1)	n.a. (1)
6	American Family Mut. Ins. Co.	WI	76,131,037	3.80%	1.7%	10/01/09 (5)	10/01/09 (5)
7	Allstate Ins. Co.	IL	70,320,713	3.51%	0.0%	n.a. (2)	n.a. (1)
8	Geico Gen. Ins. Co.	MD	52,738,921	2.63%	4.1%	05/14/09	07/02/09
9	Allstate Prop. & Cas. Ins. Co.	IL	47,894,621	2.39%	0.0%	n.a. (1)	n.a. (1)
10	Mid Century Ins. Co.	CA	47,611,855	2.37%	2.1%	6/1/2009 (4)	6/1/09 (4)
	TOP 10		1,211,049,039	60.4%	0.9%		
	TOTAL 176 COMPANIES		2,004,876,473				

Premium includes motorcycle, light trucks, recreational vehicles, and motor home coverage.

Rate activity is for personal automobile insurance.

- (1) Company has not filed a rate change in the past 12 months.
- (2) As of April 1, 2006, new business is written only in Allstate Property and Casualty and Allstate Fire and Casualty Insurance Company
- (3) Previous rate change was 7.0 percent overall effective Dec. 1, 2008
- (4) Previous rate changes was 8.8 percent overall effective Dec. 1, 2008
- (5) Previous rate change was 4.9 percent effective Feb. 1, 2009

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Financial Regulation

Information..... 503-947-7982
Manager.....Russell Latham
Assistant Manager.....Annette Boyce

Employment opportunities

Margarita Nuñez 503-947-7222

Other agencies

Oregon Health Plan

800-359-9517

State Portability Option

Oregon Medical Insurance Pool

(Administered by Regence BlueCross
BlueShield)
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

Department of Consumer and Business Services Web site

www.oregon.gov/DCBS

Oregon government Web site

www.oregon.gov

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