

## Teresa Miller Acting Administrator's column



With the 2009 legislative session under way, I want to share information about our key health insurance proposals, our “total loss” bill for vehicles and a change in continuing education requirements for some retired producers who sell life insurance. Many of the themes you’ll hear from the Oregon Insurance Division through our parent agency, the Department of Consumer and Business Services, revolve around our health insurance rate review process. For example, we recommend:

- » Strengthening the department’s health insurance rate review standards to ensure the department has clear authority to protect consumers from excessive rate increases. We suggest listing the key factors in statute that are routinely addressed in the department’s review of rate requests, plus some additional factors such as investment income, insurer profits, and surplus levels.
- » Approving an Oregon Health Fund Board recommendation to regulate the annual growth rate in health insurers’ administrative expenses. The department believes it is time to provide greater scrutiny of these expenses, which account for approximately 10 cents of every premium dollar.
- » Allowing the public to comment on proposed rate increases before the department acts on them. Although the public can review proposed rate filing information online, there is currently no opportunity for public participation until after the department takes action.

Our positions on these issues are also reported in our annual *Health Insurance in Oregon* report, which is available on our Web site ([www.insurance.oregon.gov](http://www.insurance.oregon.gov)) under “Publications.” This report explains the department’s role in regulating commercial health insurance in Oregon and provides financial profiles of Oregon’s eight largest health insurers.

You’ll read that the Insurance Division is closely monitoring the financial status of Oregon’s domestic insurers during this financial downturn. The increase in volatility of the financial markets has caused debt and

## Contents

|  |    |
|--|----|
| Watch our Web site for legislative updates .....   | 2  |
| Current events .....   | 3  |
| Updated publications .....   | 3  |
| Recent rate history .....  | 3  |
| Federal mortgage law may require licensing of insurance producers/consultants.....         | 4  |
| Producer — Update your market assistance plan information.....                             | 4  |
| Oregon Medical Insurance Pool: 2009 changes.....   | 5  |
| Mental health parity.....  | 5  |
| Construction Contractors Board Certificates of insurance require accurate information..... | 6  |
| Sign up for the Regulator online.....  | 6  |
| Workers’ compensation assigned risk plan adds Travelers Indemnity.....                     | 7  |
| Enforcement actions.....   | 8  |
| Producer licensing.....  | 9  |
| Administrative rules and bulletins .....   | 10 |
| Recent rate activity.....  | 11 |
| Key contacts.....  | 12 |

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equity investment valuation changes. For example, during the nine-month period ending Sept. 30, 2008, a number of Oregon's largest domestic health insurers lost surplus as a result of investment losses. ***Even with these reductions in surplus, these insurers possessed surplus well above the minimum required amounts.*** To ensure that companies maintain the financial resources to meet policyholder obligations during turbulent times, we plan to offer legislation that would limit the percent of total assets that insurers can invest in common stock.

### Total loss proposal (HB 2190)

One of the most common complaints the Insurance Division receives from consumers is about "total loss" settlements with insurance companies. Many consumers don't understand how insurers value their totaled vehicles. The department proposes that insurers be required to provide consumers with a one-page, easy-to-read document that explains how they determined the totaled vehicle's value and the owner's rights in the settlement process.

When there is a disagreement over the value of a totaled motor vehicle, insurance companies would be required to pay the motor vehicle owner the amount *not* in dispute while negotiations continue. Also, as drafted, the vehicle owner could recover *reasonable* appraisal costs from the insurance company if the final appraised value of the vehicle is greater than the insurance company's final offer.

### Life Insurance – Producer Continuing Education (HB 2198)

This would change Oregon's licensing law to align with national standards so insurance companies and producers can more easily do business in multiple states. This bill eliminates an exemption from continuing education requirements for some retired producers who only service existing life policies.

Starting Jan. 1, 2010, all producers transacting life insurance would need to meet the same continuing education requirements as producers who transact health, property, and casualty insurance.

Life insurance producers who are at least 58 years old, who have at least 10 years' experience as a licensed insurance producer, who only service existing policies, and who request an exemption before Jan. 1, 2010, will be grandfathered into the bill. Future retirees must meet the continuing education requirements if they choose to remain in the business.

In addition to our bills, we are looking forward to a lot of interesting discussion stemming from the Oregon Health Fund Board proposals to revamp the health care system in Oregon and find ways to insure more Oregonians while controlling costs and improving health care delivery.

### Watch our Web site for legislative updates

The division will track bills it proposes and other key legislation that impacts insurance on its Web site. We will post any testimony we provide on legislation, as well. Visit our Web site: <http://insurance.oregon.gov>. Click on "Oregon Legislature" in the left column.

## Current events

### Regence BlueCross BlueShield of Oregon rate hearing:

A hearing on the 26 percent individual rate increase that took effect July 1, 2008, will be held Feb. 4, 2009, in the Office of Administrative Hearings in Tualatin. A Regence policyholder requested a hearing after the rate increase was approved.

Following the hearing, an administrative law judge will make a recommendation on the rate issue. The director of the Department of Consumer and Business Services (Oregon's insurance commissioner), will make the final decision. Background on the rate hearing can be found at [http://www.cbs.state.or.us/ins/Whats\\_New.html](http://www.cbs.state.or.us/ins/Whats_New.html).

As interest in our rate review process has grown, we have also taken a close look at our process and identified opportunities for improvements. At the same Web address listed above, you can find materials that describe:

- » Proposed legislative changes to the rate review process.
- » Improvements that are already under way to standardize our process to ensure each filing is reviewed consistently and the department documents its decisions and explains them in consumer-friendly language.

### Losing jobs – and insurance

We are hearing regularly from employees who are losing their jobs and their health insurance. In some cases, their employers are dropping coverage; in others, businesses are shutting down altogether.

We greatly appreciate the work you do to ensure that employees in these difficult situations understand all their insurance options. Following the news release we put out (link below), we heard from an individual whose Portland employer dropped coverage shortly after he was diagnosed with prostate cancer. He was relieved to learn that he had an option of coverage through the Oregon Medical Insurance Pool. You can find our release reminding consumers of their options at [http://insurance.oregon.gov/news\\_releases/2008/120908-healthinsurance-jobloss.pdf](http://insurance.oregon.gov/news_releases/2008/120908-healthinsurance-jobloss.pdf)

## Updated publications

- » Health Insurance in Oregon, January 2009

View these publications online at [www.insurance.oregon.gov](http://www.insurance.oregon.gov). Click on "Publications" in the left column.

## Recent rate history

Our 2009 *Health Insurance in Oregon* report includes these charts showing average annual rate increases in two of the insurance markets regulated by the Department of Consumer and Business Services.

Individual Market

| Year | Increase |
|------|----------|
| 2003 | 19.7%    |
| 2004 | 15.7%    |
| 2005 | 12.7%    |
| 2006 | 5.3%     |
| 2007 | 5.8%     |
| 2008 | 17.7%    |

Small Group Market

| Year | Increase |
|------|----------|
| 2003 | 17.1%    |
| 2004 | 16.5%    |
| 2005 | 18.1%    |
| 2006 | 10.1%    |
| 2007 | 10.3%    |
| 2008 | 11.1%    |

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# Federal mortgage law may require licensing of insurance producers/consultants

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By Berri Leslie

Currently, the Oregon Department of Consumer and Business Services (DCBS) excludes both insurance producers and insurance consultants from mortgage lending licensing and regulation requirements, even if the insurance producer/consultant offers residential lending as part of his or her service. As a result of a new federal bill, we expect this exclusion to be removed from the Oregon mortgage lender law in the upcoming legislative session.

In July 2008, President Bush signed H.R. 3221 — The Housing and Economic Recovery Act of 2008. The passage of H.R. 3221 requires significant changes to the way mortgage professionals are regulated at the state and federal levels. In addition to new requirements for existing brokers, the law creates a new definition of residential loan originator and removes the ability for states to exclude industries from that definition.

## What does that mean for the insurance industry?

If you are an insurance producer or consultant who meets this definition, you must be licensed in each state where you intend to act as a loan originator. H.R. 3221 defines loan originator as any person who takes a residential mortgage loan application and offers or negotiates terms of a residential mortgage loan for compensation or gain.

DCBS is sponsoring legislation during the 2009 session that would implement requirements of H.R. 3221. If passed, the legislation will require loan originators to do the following:

- » License and renew annually through the Nationwide Mortgage Licensing System & Registry (NMLSR) — a national licensing database
- » Satisfy an FBI criminal history review
- » Demonstrate financial responsibility
- » Pass a national mortgage test
- » Take 20 hours of pre-licensure education
- » Take at least eight hours of continuing education each year

For more information about H.R. 3221 and its impact on insurance producers and consultants, contact Kirsten Anderson, manager of the Division of Finance and Corporate Securities Mortgage Lending Program, at [kirsten.i.anderson@state.or.us](mailto:kirsten.i.anderson@state.or.us) or Berri Leslie, NMLSR project manager, at [berri.l.leslie@state.or.us](mailto:berri.l.leslie@state.or.us). Frequent updates are available on the Web site at [dfcs.oregon.gov](http://dfcs.oregon.gov).

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# Producer — Update your market assistance plan information

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By Cece Newell

In 2004, the state formed a voluntary Oregon Market Assistance Plan (MAP) to link construction contractors with liability insurers.

The Construction Contractors Board (CCB) maintains a Web site list of insurance agencies that offer this insurance. Currently, there are about 175 listings in 26 counties, and the site still receives a healthy amount of hits.

It is the responsibility of the listed producer or agency to keep the information on the MAP site current.

The site is <http://ccbed.ccb.state.or.us/contractorsMAP/>.

You will need your password, which should have been retained at the time of the original entry, to correct or update the data. If you have any questions or have difficulty, please e-mail Cece Newell at [cece.newell@state.or.us](mailto:cece.newell@state.or.us) and she will arrange for assistance from the Construction Contractors Board's Web staff.

## Oregon Medical Insurance Pool: 2009 changes

**OMIP**  
*Oregon Medical Insurance Pool*

The state's high-risk pool has announced its rate and benefit changes for 2009. Here are highlights:

- » **Premiums:** Rates for medical plans increased by an average 15 percent from 2008 rates. Portability plan rates increased an average of 20 percent. These rate changes reflect those of comparable commercial insurance plans.
- » **Benefits:** Routine physical examinations and key immunizations are now covered for adults and dependent children **as long as they are received through a preferred provider.** They are not subject to the deductible.
- » **Prescription drugs:** The co-pay on generic drugs **decreases** from \$10 to \$5. The co-pay for preferred brands remains at \$40 and the co-pay for non-preferred brands stays at \$70.

- » **Contracts:** The 2009 contracts are available on the OMIP and Regence Web sites and were mailed only to members who requested a written copy. Find the contracts at [www.omip.state.or.us](http://www.omip.state.or.us) or [www.regence.com](http://www.regence.com).

### Revised Application

OMIP's 2008 application will only be accepted through January 2009. The 2009 application will be required starting Feb. 1, 2009. Please note that the 2009 application requires applicants to initial a section that explains the Oregon residency requirement for OMIP members.

Visit the OMIP Web site to find the latest application, member contract and member handbook. The address: [www.omip.state.or.us](http://www.omip.state.or.us).

## Mental health parity

We have two relatively new pieces of information on mental health parity on our Web site.

One is our review of Oregon's mental health and chemical dependency parity law, passed by the 2005 Legislature. You can find our report, *Coverage of Mental or Nervous Conditions and Chemical Dependency*, at <http://insurance.oregon.gov/consumer/consumer.html>. Highlights include:

- » Relatively few consumers filed complaints about their coverage under the law since it became effective on Jan. 1, 2007. Of the 51 complaints the Insurance Division investigated, 49 did not involve violations of the law for a variety of reasons. For example, consumers with individual or self-insured plans filed some of the complaints; these plans aren't subject to the Oregon law. Others involved services received before the law took effect or may not have been covered services. In two cases, the division required companies to remove contract language that violated the law by specifically limiting

coverage for developmental disorders and mental health and chemical dependency treatment.

- » Three carriers estimated in the third quarter of 2008 that the law caused rate increases ranging from one-half of one percent to approximately 2 percent.
- » The Insurance Division will ask insurers for claims/expenditure data during the first quarter of 2009 and report back on changes in claims and costs since passage of the bill.

We also provide a brief overview of the significant differences between Oregon's parity law and the federal mental health parity bill signed by President Bush in 2008. Group plans in Oregon must meet the state's stricter law; however, self-insured employer health plans fall under the federal law. Find this information at <http://insurance.oregon.gov/consumer/mental-health/mental-health-parity-comparison.pdf>.

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# Construction Contractors Board

## Certificates of insurance require accurate information

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By Cece Newell

In the fall *Regulator*, we outlined the new requirements for certificates of insurance provided for proof of coverage to the Construction Contractors Board (CCB).

Recently, we have been working with the CCB to solve numerous problems related to the submission of certificates of insurance. It is critical that the insurer is named correctly. The certificate, or the information input on the automated online entry access, must be accurate. The name reflected on the proof of coverage should be the carriers' complete name as shown on the actual policy, not the group name or a program name.

In numerous cases, licensees have had their certificates rejected because the name in the "Insurers Affording Coverage" box is not that of an authorized insurer or a registered surplus lines carrier or risk retention group.

If the name entered is "ABC Insurance" but the actual carrier is Alpha Beta Company, the CCB is not able to accept the proof of coverage, nor are they allowed to guess at what the actual company might be.

Take the time to make certain that the proper insurer is reflected on the proof of coverage. This guideline is true for all certificates that producers and insurers provide, whether they are for the CCB or for another purpose.

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## Sign up for the Regulator online

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The *Regulator* is joining the growing list of state newsletters and publications primarily available online. Eliminating the print version that some readers receive will be environmentally friendly and save thousands of dollars each issue. An online publication is timely and provides links that will take you to critical information on the Insurance Division Web site. Our promise is to faithfully publish every quarter. This is essential to help you keep up with regulatory changes and other news.

**To join our online audience** (we can't sign you up):

1. Visit the Insurance Division Web site: [www.insurance.oregon.gov](http://www.insurance.oregon.gov)
2. Click on "E-mail notification" in the left column of the home page
3. Type in your e-mail address

4. Mark the subjects you want to track. You'll find the *Regulator* near the bottom of the list under "Publications." You may also want to select "Information for Insurance Producers" to receive other key information from the agency.
5. When the spring *Regulator* is posted, you'll receive an e-mail with a link. Click on the link to read the newsletter. It will be a PDF, allowing you to print select pages or the entire newsletter.

**To receive a print version of the *Regulator*:**

If you are still interested in receiving a printed version, call Brooke Sheehan at 503-947-7231 or e-mail her at [brooke.n.sheehan@state.or.us](mailto:brooke.n.sheehan@state.or.us). She will need your name and mailing address. To suggest content, e-mail Cheryl Martinis at [cheryl.l.martinis@state.or.us](mailto:cheryl.l.martinis@state.or.us).

# Workers' compensation assigned risk plan adds Travelers Indemnity

The following information was prepared for employers who will receive non-renewal notices on their assigned risk plan workers' compensation policy.

**Question:** Why did I receive a non-renewal notice on my assigned risk plan workers' compensation policy?

**Answer:** The State of Oregon, through competitive bidding, awarded Travelers Indemnity Company a contract to serve 20 percent of the Oregon Assigned Risk Plan, starting in January 2009. As a result, fewer than 300 assigned risk employers were randomly selected from SAIF and Liberty Northwest to be non-renewed. These employers may:

- » Seek coverage through the voluntary market. Those who can't buy voluntary workers' compensation insurance coverage may apply to the assigned risk plan. They will be assigned to Travelers.
- » Immediately reapply to the assigned risk plan. If accepted, they will be assigned to Travelers.

**Question:** What can you tell me about Travelers Indemnity Company?

**Answer:** Travelers Indemnity Company has been writing insurance in Oregon since 1917 and workers' compensation since 1966. Travelers Indemnity carries an AM BEST financial strength rating of A+, recognizing Travelers' superior financial strength and claims-paying ability. Travelers Insurance Group writes a total of \$30 million workers' compensation premium in Oregon. Travelers is an assigned risk plan servicing carrier in 18 other states and also writes both personal and commercial insurance.

**Question:** Why do I have to reapply for workers' compensation insurance?

**Answer:** Assigned risk plan rules prohibit directly reassigning employers from one servicing carrier to another except under certain limited conditions. A new application is required when applying to a new insurance carrier whether it is a voluntary insurance carrier or assigned risk plan servicing carrier.

**Question:** How do I apply for workers' compensation insurance coverage?

**Answer:** First, we highly recommend that you contact your insurance agent or broker to assist you in finding workers' compensation insurance in the voluntary market. Employers who successfully move from the assigned risk plan to the voluntary market may see significant premium savings. Alternatively, you

may choose to directly reapply to the assigned risk plan. Please refer to your non-renewal letter for more information and contacts.

**Question:** What is the Oregon Assigned Risk Plan?

**Answer:** The Oregon Assigned Risk Plan provides workers' compensation coverage to employers that cannot obtain insurance in the voluntary market.

**Question:** What if I don't have workers' compensation insurance?

**Answer:** If you are a subject employer and you are found to be without workers' compensation coverage, you will be fined a minimum of \$1,000 or two times the premium you should have paid during the period without coverage, whichever is greater. You will also be responsible to pay claim and administrative costs for any claims during the period of non-compliance.

**Question:** Are SAIF and Liberty Northwest still servicing carriers for the assigned risk plan?

**Answer:** Yes, SAIF and Liberty Northwest are still servicing carriers and each now have a 40 percent market share of the assigned risk plan.

**Question:** Who is the NCCI?

**Answer:** NCCI stands for the National Council on Compensation Insurance. The NCCI administers the assigned risk plan for Oregon and other states. The Oregon Insurance Division regulates the NCCI.

**Questions:**

**Workers' Compensation Division:**

Employer Compliance Unit, 503-947-7815 or 1-888-877-5670, wcd.employerinfo@state.or.us

**Insurance Division:**

Consumer Advocacy Hotline, 1-888-877-4894, www.insurance.oregon.gov  
Agent licensing, 503-947-7981

**NCCI Service Center:** 800-622-4123

**Oregon Small Business Ombudsman:** 503-378-4209

**Liberty Northwest:** 866-456-1715 (toll-free)  
Fax: 800-607-0719 (toll-free)  
E-mail: lnw\_ar@libertynorthwest.com

**SAIF:** 800-285-8525

**Travelers:** Arleen Desmond, 860-277-5293 or adesmond@travelers.com

## Enforcement actions

This *Regulator* lists certain orders from October through December 2008. Additional orders for 2008 and years past are posted on our Web site: [www.insurance.oregon.gov](http://www.insurance.oregon.gov). Click "Orders" in the left column.

### Insurers

#### **Bankers Life and Casualty Company**

Carmel, Ind.

**Violation:** Engaged in unsuitable annuity transactions.

**Penalty:** Ordered to review certain annuity sales since January 2005, take corrective action to protect future clients, and pay \$150,000.

*Date of order: 10/30/2008*

#### **PacifiCare Life Assurance Company**

Cypress, Calif.

**Violation:** Failed to pay claim without conducting a reasonable investigation, failed to limit pre-existing conditions provision in health benefit plan to six months, and failed to acknowledge and act promptly on a claim.

**Penalty:** \$46,000

*Date of order: 12/30/2008*

#### **PacificSource Health Plans**

Springfield, Ore.

**Violation:** Failed to notify claimants that it needed additional time to investigate claims.

**Penalty:** \$20,000

*Date of order: 12/17/2008*

### Producers

#### **Feurer, Jessica M.**

Windsor, Conn.

**Violation:** Convicted of a felony involving dishonesty or breach of trust; resident insurance adjuster license revoked by State of Connecticut.

**Penalty:** Nonresident adjuster license revoked.

*Date of order: Dec. 10, 2008*

#### **Gellinger, Mark E.**

Lake Oswego, Ore.

**Violation:** Failure to file or pay tax returns or taxes.

**Penalty:** Oregon resident insurance producer license suspended from Dec. 18, 2008, until his license expires or the Department of Consumer and Business Services director receives proof that all returns and taxes are paid to the Oregon Department of Revenue.

*Date of order: Dec. 18, 2008*

#### **Moore, Jeffrey L.**

Milwaukie, Ore.

**Violation:** Convicted of a felony involving dishonesty or breach of trust, failed to report criminal action.

**Penalty:** Oregon resident insurance producer license revoked.

*Date of order: Dec. 17, 2008*

#### **Sherburn, Joshua A.**

Portland, Ore.

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

**Penalty:** Oregon resident individual insurance producer license revoked.

*Date of order: Dec. 9, 2008*

# Producer licensing

By Jim Thompson

## Renew early to ensure speedy processing

Insurance producers who renew early can avoid late renewal fees by allowing enough time to resolve any deficiencies, such as insufficient continuing education hours or missing expiration dates on credit cards. Renewal notices are mailed roughly 75 days prior to the expiration. Although the renewal may not be processed on the same day it is received, it will be done prior to the expiration of the license. We prioritize those licenses that are expiring in the current month.

- » Renewing early also will allow insurance producers the extra time needed to provide verification of the renewal to the agency or insurer to avoid delays in receiving commissions.
- » Remember to submit continuing education certificates with your renewal. If you renew online, or with the form provided by the Insurance Division, you must submit all of your continuing education certificates prior to the expiration of your license. These **must** be postmarked on or before the expiration date to be considered timely. If they are not, a \$45 late renewal penalty will be assessed and there will be a break in authority, meaning you won't be able to sell insurance until your license is reinstated.

## New administrative rules on fingerprinting

The Insurance Division recently adopted new administrative rules on fingerprint-based background checks.

- » All resident applicants for an initial producer license will be subject to the fingerprint requirement starting Sept. 1, 2009.
- » Oregon producers who are renewing licenses only need to provide fingerprints on request.

- » Most non-resident applicants for a license will only be asked for fingerprints if the division needs to verify the identity of the applicant, or if the division believes that the applicant hasn't reported a criminal conviction that requires our review.

Before Sept. 1, 2009, the division will provide more information about procedures for submitting fingerprints.

## New license application procedure being considered

The Insurance Division is exploring ways to streamline and improve the licensing process. Presently, an applicant must submit the application packet to the Insurance Division prior to being approved and taking the examination. We are considering reversing this process, requiring an individual to complete all examination and pre-license training requirements before submitting the application to the Insurance Division.

Other states are doing this with great success. With this approach, an applicant would no longer have to fulfill all licensing requirements within 180 days of being approved by the division. Applicants will have the ability to complete all the requirements at their own pace when preparing for their career in the insurance industry. I welcome input on this new proposal. You can reach me at [james.t.thompson@state.or.us](mailto:james.t.thompson@state.or.us).

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# Administrative rules and bulletins

Visit our Web site to find links to these rules:  
[www.insurance.oregon.gov](http://www.insurance.oregon.gov).

- » **Criminal records checks/fingerprinting of licensees (ID 19-2008):** Implements ORS 705.141, which authorizes the Department of Consumer and Business Services to require fingerprints of a person applying for an initial license or renewal of a license as an insurance producer, insurance consultant, adjuster, life settlement provider, or life settlement broker. Fingerprints will be used to conduct state or nationwide criminal records checks. These rules apply to applications submitted on and after Sept. 1, 2009.  
*Effective: Dec. 10, 2008*
- » **Workers' Compensation Insurance Assigned Risk Plan (ID 18-2008):** These are changes to rules involving the governance and administration of the workers' compensation insurance assigned risk plan for employers unable to buy coverage in the voluntary market.  
*Effective: Jan. 1, 2009*
- » **Reserve Liability and Nonforfeiture Values for Preneed Insurance (ID 17-2008):** Designates the 1980 CSO Mortality Table as the authority for establishing minimum standards for reserves and nonforfeiture values for preneed insurance, a type of life insurance that funds funeral services and expenses.  
*Effective: Dec. 9, 2008*
- » **Health Insurance: Estimates of Enrollee Share of Costs for Covered Services (ID 16-2008):** Rules for insurers to provide reasonable cost estimates of an enrollee's share of certain procedures or services (both in-network and out-of-network). The rules require insurers to annually examine their book of business to determine the most common procedures in certain categories where estimates must be provided. Rules also provide for combined estimates, when two or more procedures will be performed, and require that an estimate indicate whether it applies only to costs related to a specific procedure or an episode of care. Provides guidance for insurers on instructions to

consumers who obtain estimates and specifies data that insurers must report to the Department of Consumer and Business Services.  
*Effective: Sept. 24, 2008*

## Upcoming rulemaking:

- » Identification of the first set of policy forms approved by the Interstate Compact that will be accepted for filing without further review in Oregon.
- » Regulation of use of special designations by producers.
- » Annual statements (in process; will be adopted by end of January for 2008 statements.)

## 2008 Bulletins

You can find these bulletins on our Web site:  
[www.insurance.oregon.gov](http://www.insurance.oregon.gov).

### INS 2008-5 (Aug. 28)

Prohibits use of health status for underwriting associations with small employer groups; outlines allowable rating practices for associations with small employer groups. Replaces Bulletin 2008-4.

### INS 2008-3 (April 11)

Outlines state plans to cooperate with the Risk Management Agency to end illegal rebating of federal crop insurance premiums.

### INS 2008-2 (Feb. 5)

Offers guidance in applying Oregon's domestic partnership legislation.

### INS 2008-1 (Jan. 23)

Filing procedures for compliance with provisions of the Terrorism Risk Insurance Program Reauthorization Act of 2007.

# Recent rate activity

## TOP 10 OREGON HOMEOWNER INSURERS AS OF DECEMBER 2007 Domicile, Direct Premium Written, Market Share, Recent Rate Activity

|    | NAME OF COMPANY                | DOM | DIRECT PREMIUM WRITTEN | MARKET SHARE | ACTIVITY | RATE EFFECTIVE DATE |          |
|----|--------------------------------|-----|------------------------|--------------|----------|---------------------|----------|
|    |                                |     |                        |              |          | New                 | Renewal  |
| 1  | State Farm Fire & Cas. Co.     | IL  | 142,512,349            | 25.3%        | 1.3%     | 07/15/08            | 09/01/08 |
| 2  | Farmers Ins. Co. of OR         | OR  | 71,288,219             | 12.6%        | 0.0%     | n.a. (1)            | n.a. (1) |
| 3  | Safeco Ins. Co. of OR          | OR  | 35,161,224             | 6.2%         | 0.0%     | n.a. (3)            | n.a. (3) |
| 4  | Allstate Ins. Co.              | IL  | 26,597,992             | 4.7%         | 0.0%     | n.a. (2)            | n.a. (1) |
| 5  | American Family Mut. Ins. Co.  | WI  | 23,539,084             | 4.2%         | 5.5%     | 10/01/08            | 10/01/08 |
| 6  | Country Mut. Ins. Co.          | IL  | 22,860,147             | 4.1%         | -3.4%    | 08/22/08            | 08/22/08 |
| 7  | Allstate Ins. Co.              | IL  | 18,912,338             | 3.4%         | 16.7%    | n.a. (2)            | 12/04/08 |
| 8  | Foremost Signature Ins. Co.    | MI  | 18,864,215             | 3.3%         | 0.0%     | n.a. (1)            | n.a. (1) |
| 9  | Allstate Prop. & Cas. Ins. Co. | IL  | 12,322,198             | 2.2%         | -4.0%    | 05/12/08            | 06/26/08 |
| 10 | USAA                           | TX  | 10,980,142             | 1.9%         | 10.7%    | 11/30/08            | 11/30/08 |
|    | TOP 10                         |     | 383,037,908            | 68.0%        | 1.6%     |                     |          |
|    | TOTAL 120 COMPANIES            |     | 563,574,202            |              |          |                     |          |

Premiums includes renters, condos, manufactured homes, and coverages such as boats, golf carts, and jewelry.  
Rate Activity applies to homeowner coverages only.

(1) Company has not filed a rate change in the past 12 months.

(2) As of 4/1/06, new business is written only in Allstate Property and Casualty Insurance Company and Allstate Fire and Casualty Insurance Company.

(3) Company has not filed a rate change in the last 12 months, however, their rating scorecard, which includes credit history been revised.

## TOP 10 OREGON AUTOMOBILE INSURERS AS OF DECEMBER 2007 Domicile, Direct Premium Written, Market Share, Recent Rate Activity

|    | NAME OF COMPANY                | DOM | DIRECT PREMIUM WRITTEN | MARKET SHARE | ACTIVITY | RATE EFFECTIVE DATE |                |
|----|--------------------------------|-----|------------------------|--------------|----------|---------------------|----------------|
|    |                                |     |                        |              |          | New                 | Renewal        |
| 1  | State Farm Mut. Auto Ins. Co.  | IL  | 345,151,738            | 17.37%       | 0.6%     | 09/29/08            | 09/29/08       |
| 2  | Farmers Ins. Co. of OR         | OR  | 281,457,978            | 14.17%       | 7.0%     | 12/1/2008 (3)       | 12/1/2008 (3)  |
| 3  | Safeco Ins. Co. of OR          | OR  | 141,542,941            | 7.12%        | 4.8%     | 7/10/2008           | 8/14/2008      |
| 4  | Allstate Ins. Co.              | IL  | 79,799,388             | 4.02%        | 0.0%     | n.a. (2)            | n.a. (1)       |
| 5  | American Family Mut. Ins. Co.  | WI  | 77,727,426             | 3.91%        | 4.9%     | 2/1/09              | 2/1/09         |
| 6  | Progressive Universal Ins. Co. | WI  | 71,322,612             | 3.59%        | 0.0%     | n.a. (1)            | n.a. (1)       |
| 7  | Mid Century Ins. Co.           | CA  | 63,243,227             | 3.18%        | 8.8%     | 12/01/2008 (4)      | 12/01/2008 (4) |
| 8  | Allstate Prop. & Cas. Ins. Co. | IL  | 52,970,213             | 2.67%        | 5.0%     | 6/23/08             | 7/28/2008      |
| 9  | Geico General Ins. Co.         | MD  | 48,716,491             | 2.45%        | 3.5%     | 05/01/08            | 06/15/08       |
| 10 | Progressive Classic Ins. Co.   | WI  | 41,995,267             | 2.11%        | 6.0%     | 03/07/08            | 05/06/08       |
|    | TOP 10                         |     | 1,203,927,281          | 60.6%        | 3.7%     |                     |                |
|    | TOTAL 177 COMPANIES            |     | 1,986,603,596          |              |          |                     |                |

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 4/1/06, new business is written only in Allstate Property and Casualty and Allstate Fire and Casualty Insurance Company

(3) Previous rate changes are 1.2%, effective 9/1/2008, and 3.2% overall, effective 6/1/2008

(4) Previous rate is 1.2% overall, effective 9/1/08



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### 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 &  
 Business Services Web site:  
[www.oregon.gov/DCBS](http://www.oregon.gov/DCBS)  
 Oregon Government Web site:  
[www.oregon.gov](http://www.oregon.gov)

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

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