

Failure to Timely Notify Insurer of Life Insurance Replacement

From June 1, 1997 to November 30, 1997, Providentmutual issued 60 life insurance policies or annuities that replaced life insurance policies or annuities issued by other insurers. In ten of the 60 transactions, Providentmutual sent (1) a replacement notice, (2) existing policy or annuity identification information and (3) a proposed policy or annuity summary, to the respective other insurer four to 30 working days after the date Providentmutual received from its agent an application for the proposed life insurance policy or annuity.

Ultimate Facts

In ten transactions involving the replacement of a life insurance policy or annuity, Providentmutual failed to send to the insurer whose policy or annuity is to be replaced a written communication containing the information required by Oregon Administrative Rules (OAR) 836-080-022(2)(b) within three working days after Providentmutual received from its agent an application for the proposed life insurance policy or annuity.

Conclusions

In ten instances, Providentmutual violated OAR 836-080-022(2)(b).

Action

Providentmutual shall pay a civil penalty of \$10,000 pursuant to ORS 731.988. Payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. Payment shall be personally delivered or mailed to the Insurance Division so that it is received on or before the date of this order.

Dated June 14, 1999.

/s/ Robert W. Kloss
Robert W. Kloss
President
Providentmutual Life and Annuity
Company of America

FINAL ORDER

The Director