

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

In the Matter of **Equitable Life and Casualty Insurance Company.**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 01-11-002
) File No. 2391 IV

STIPULATION

The Director of the Department of Consumer and Business Services (Director) commences the above entitled administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take disciplinary action against Equitable Life and Casualty Insurance Company (ELCIC) for violating the Oregon Insurance Code as specified herein.

ELCIC enters into this Stipulation to conclude this proceeding without further administrative or judicial proceedings, as provided by ORS 183.415(5) and related rules. The person signing this Stipulation on behalf of ELCIC represents that he or she is so authorized by ELCIC.

ELCIC waives the right to receive a notice of proposed action, to receive a notice of rights and procedures in contested cases, to have a hearing, to be represented by an attorney at the hearing, and to judicial review of the Final Order.

ELCIC admits and agrees to the following facts, conclusions, and action.

Facts and Conclusions

Licensing

ELCIC has been licensed in Oregon as an insurer since 6/1/53. ELCIC's Oregon Insurance Division company number is 1485 and its NAIC identification number is 062952. ELCIC's mailing address is PO Box 2460, Salt Lake City UT 84110-2460.

Failure to Notify Existing Insurer of Replacement of Long Term Care Policy

ELCIC violated OAR 836-052-0615(3)(a) in seven instances by receiving, during the period from 7/6/99 to 7/24/00, from seven persons residing in Oregon, applications for long term care insurance to be provided by ELCIC. Each application indicated that the applicant intended for the insurance being applied for to replace existing long term care insurance provided by another insurer. However, ELCIC did not notify the other insurer of the replacement. The application date, the name of the applicant, the existing insurer, the

existing policy number, and the replacing policy number, relative to each transaction is as follows:

<u>Date</u>	<u>Applicant</u>	<u>Existing Insurer</u>	<u>Existing Policy No.</u>	<u>Replacing Policy No.</u>
7/6/99	Alice I. Propes	Bankers Life and Casualty Co.	940149394	3766886
1/3/00	Rosemary C. Williams	Bankers Life and Casualty Co.	930252323	3771643
5/31/00	Allen F. Anglemier	John Hancock Life Ins. Co.	99041780	3775008
5/31/00	Verna Anglemier	John Hancock Life Ins. Co.	99041781	3775008
8/24/00	I. Darlene Johnson	Continental Casualty Co.	076637623	3777079
7/21/00	Leena M. Riker	Metropolitan Life Ins. Co.	4876617	3776171
7/24/00	Bonnie L. Tibbits	Am. Travelers Assurance Co.	25220	3776330

Action

ELCIC shall pay a civil penalty of \$25,000 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 delivered or mailed to the Insurance Division at 350 Winter Street NE, Room 440, Salem OR 97301-3883. Payment shall be received by the Insurance Division by the date of the Final Order.

Dated January 14, 2002

/s/ E. Rod Ross
[Signature of Representative]

E. Rod Ross
[Printed Name of Representative]

Chairman, President & CEO
[Printed Title of Representative]

Equitable Life and Casualty Insurance Company

FINAL ORDER

The Director makes the following final decision in this proceeding in accordance with ORS 731.248 and 183.415(5) and related rules.

The Director adopts, and incorporates herein by this reference, the Facts, Conclusions, and Action in the above Stipulation as the Findings of Fact, Conclusions of Law, and Order, respectively, of this Final Order.

Dated January 22, 2002

/s/ Mary C. Neidig
Mary C. Neidig
Director
Department of Consumer and Business Services