

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

In the Matter of **First Actual American Insurance Company.** ) **CEASE AND DESIST**  
 ) **ORDER**  
 ) Case No. INS 03-03-002

The Director of the Department of Consumer and Business Services (director) hereby issues this cease and desist order, pursuant to Oregon Revised Statutes (ORS) 731.252, to First Actual American Insurance Company (FAAIC), because the director has reason to believe that FAAIC has violated the Insurance Code as specified herein.

**Findings of Fact**

Licensing

FAAIC has never been issued a certificate of authority as an insurer in Oregon. FAAIC's mailing address is PO Box 944, Canby, OR 973013-0944, its telephone number 877-876-5131; its fax number is 503-212-9011; and its e-mail address is [info@FAAIC.com](mailto:info@FAAIC.com).

Transacting Insurance as an Insurer Without a Certificate of Authority

FAAIC has violated ORS 731.354 by acting as an insurer and transacting insurance within Oregon. Since February 2003, FAAIC has maintained a website at [www.faaic.com](http://www.faaic.com) in which it advertises to “offer the highest quality [medical] professional liability insurance available,” and solicits requests for rate quotes for the insurance. FAAIC has also faxed to doctors a document informing them that FAAIC was offering “medical malpractice liability insurance” with coverage limits from \$1 million to \$10 million at premium rates that were “saving doctors 30% to 50% off current premiums.” The document also invited the doctors to request a premium quote. FAAIC has received from doctors in several states requests for rate quotes. FAAIC faxed to such doctors two documents. One document, entitled a “Fax Cover,” informed the doctor that if the doctor wanted “our company to insure your practice, you will need to tell us to the date you would like your coverage to become effective, and remit payment along with the Quote attached to this Fax to” a

postal box in Victorville, CA. The document further stated that “you will be faxed and mailed a binder immediately upon receipt of your payment.” The other document, entitled “Quote,” restated some information that the doctor provided in the initial request for a rate quote, and then indicated the “guaranteed premium” for one or two years, and the corresponding limit of coverage for the insurance offered by FAAIC.

### **Order**

Pursuant to ORS 731.252, FAAIC shall immediately cease and desist from violating the above provision of the Insurance Code.

### **Notice of Right to a Hearing and Judicial Review**

The party has the right to a hearing pursuant to ORS 731.252. To have a hearing, a party must send to the Insurance Division a written request for a hearing so that the Insurance Division *receives* the request within **20 days** from the date this order was *sent* to the party. The party may send the request by delivering or mailing it to the Insurance Division at 350 Winter Street NE, Room 440, Salem, Oregon, 97301-3883; or faxing it to 503-378-4351; or e-mailing it to mitchel.d.curzon@state.or.us.

If the Insurance Division receives from or on behalf of a party a written request by the due date, then the Insurance Division will refer the request to the Hearing Officer Panel (HOP). HOP will schedule the hearing and notify the party of the date and location of the hearing and other related information. A hearing officer of HOP will conduct the hearing and issue a proposed order. The hearing will be conducted in accordance with the Oregon Administrative Procedures Act, ORS Chapter 183; and the Attorney General’s Model Rules, OAR 137-003-0501 *et seq.* A party that is an individual may represent him or her self at a hearing; or may be represented by an attorney licensed in Oregon. A party that is a corporation, partnership, limited liability company, unincorporated association, trust, or government agency must be represented at a hearing by an attorney licensed in Oregon except as otherwise provided by law.

If the Insurance Division does not receive from or on behalf of a party a written request for a hearing by the due date, then this order will become final by default. If this order becomes final by default, then the designated portion of the Insurance Division's investigation file on the party automatically becomes part of the contested case record upon default for the purpose of proving a prima facie case.

Also, if this order becomes final by default, then the party may request the Oregon Court of Appeals to review this order pursuant to ORS 183.480 and 183.482 by filing a written petition for judicial review with the court within 60 calendar days after the date this order was *sent* to the party.

Dated March 18, 2003

/s/ Cory Streisinger  
Cory Streisinger  
Director  
Department of Consumer and Business Services

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