

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **United Home Life Insurance Company.**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 03-10-023

STIPULATION

The Director of the Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against United Home Life Insurance Company (UHL).

UHL enters into this Stipulation, pursuant to ORS 183.415(5), to conclude this proceeding without further administrative or judicial proceedings.

UHL waives the right to receive a notice of proposed action, receive a notice of the rights of a party and procedures in contested cases, have a hearing, be represented by an attorney at the hearing, receive a proposed order, file exceptions to the proposed order, and have the Final Order judicially reviewed.

UHL stipulates to the following facts, conclusions, and action; and consents to issuance of a Final Order incorporating this Stipulation.

Facts and Conclusions

Licensing Information

UHL has been licensed in Oregon as an insurer since 6/05/56. UHL's Oregon Insurance Division Company number is 1720 and its NAIC identification number is 069922. UHL's principal business mailing address is in Indianapolis, Indiana.

Made False or Misleading Filing to Director

UHLIC violated ORS 731.260 in one instance by engaging in the following conduct: On or about 7/16/03, Karen Hynes (Hynes), an employee of Deloitte & Touche LLP of Indianapolis, Indiana, on behalf of UHLIC, filed an accidental death benefit policy form, number AD-66, with the Insurance Division for approval pursuant to ORS 742.003. On 7/16/03, the Insurance Division received the filing.

The Insurance Division assigned the filing number MH 0040 03. UHLIC had authorized Deloitte & Touche LLP in writing to make policy form filings on behalf of UHLIC. The filing included a Certificate of Compliance and an Accidental Death Benefit policy form, number AD-66. The Certificate of Compliance stated, *inter alia*, that “I ...certify ... that this filing complies with the Oregon laws...and applicable filing requirements and product standards set forth on the Insurance Division’s web site and that the filing is not false or misleading in any material respect.” The Certificate of Compliance was personally signed by Hynes. However, this statement was false or misleading and Hynes knew that it was false or misleading. One of the applicable laws was that the policy form complied with ORS 743.053. ORS 743.053 law requires “[a] ... health insurance policy ... that contains a provision providing benefits in case of death ... by accident shall not require that the death occur less than 180 days after the date of the accident in order for benefits to be paid under the policy.” However, the policy form did not comply with ORS 743.053 because it required death to occur less than 180 days. The policy form expressly stated that “Upon receipt at the Home Office of the Company ... of due proof of the death of the insured as the direct result [of an accident] and that such death occurred within ninety days from the date of such injury ... the company will ... pay the [death benefit] to the Beneficiary....” Hynes knew that the statement in Certificate of Compliance, as it related to the policy form complying with ORS 743.053, was false or misleading because either (a) Hynes knew that the policy form required death to occur less than 180 days, or (b) she did not but certified otherwise.

Action

Pursuant to ORS 731.988, UHL is assessed a civil penalty of \$2,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered to the Insurance Division at 350 Winter Street NE, Room 440, Salem, OR 97301-3883, or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be received by the Insurance Division by the date of the Final Order.

Dated November 5, 2003

/s/ Teresa E. Kofodimos
[Signature of Representative]

Teresa E. Kofodimos
[Printed Name of Representative]

Senior Corporate Counsel
[Printed Title of Representative]

United Home Life Insurance Company

FINAL ORDER

The director incorporates herein the above Stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated November 14, 2003

/s/ Cory Streisinger
Cory Streisinger
Director

Department of Consumer and Business Services