

following the date of any administrative action taken by a carrier to initiate or document the loss of coverage. At all relevant times, PacifiCare Life was an insurer that offered group health benefit plans in Oregon. In 2003, PacifiCare Life included an explanation of portability coverage in its group health insurance policies and summary plan descriptions issued in connection with such policies, but failed to provide an explanation of portability coverage directly to 353 individuals losing group coverage for a reason other than group replacement of coverage.

Action

Pursuant to ORS 731.988, PacifiCare Life is assessed a civil penalty of \$40,000. 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 the Labor and Industries Building, 350 Winter Street NE, Room 440 (4th Floor), Salem, Oregon; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment is due on, and shall be received by the Insurance Division by, the date of the final order.

Dated April 1, 2005

/s/ Susan L. Berkel
[Signature of Representative]

Susan L. Berkel
[Printed Name of Representative]

President
[Printed Title of Representative]

PacifiCare Life Assurance 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 April 12, 2005

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