

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

In the Matter of **National Union Fire Insurance**) **STIPULATION** and
Company of Pittsburgh, Pennsylvania) **FINAL ORDER**
) Case No. INS 06-06-012

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against National Union Fire Insurance Company of Pittsburgh, Pennsylvania (National Union).

National Union desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

National Union waives all rights relative to an administrative hearing and judicial review thereof.

National Union stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

Facts and Conclusions

Licensing Information

National Union has been licensed in Oregon as a foreign insurer since 9/2/04. National Union's last recorded principal business address is located in New York, New York.

Issued Group Health Insurance Policy to Unapproved Association

National Union is subject to enforcement action pursuant to ORS 743.524(1) because of the following circumstances. ORS 743.524(1) prohibits an insurer from offering a group health insurance policy to an association as the policyholder or from offering coverage under such a policy, whether issued in this or another state, unless the director determines that the association satisfies the requirements of ORS 743.522(2). From 3/1/04 to 4/1/05, National Union issued a group health insurance policy to each of six associations that were not approved by the director, and insured under the policies as few as 61 and as many as 2,559 persons residing

in Oregon. The name of the association, the effective dates of the policy, and the number of Oregon residents insured under the policy, in each instance is as follows:

<u>Association / Group Policyholder</u>	<u>Effective Dates</u>	<u>No. Oregon Insureds</u>
Universal Package Benefits Association	3/1/04 to 3/1/07	15
National Assoc. for Independent Business	3/1/04 to 3/1/07	15
The SMART Healthcare Association	3/1/04 to 3/1/07	12
National Assoc. for Independent Business	12/1/04 until cancelled	15
U.S. Benefits Association	4/1/05 until cancelled	4
Health Advocates Alliance	1/1/05 to 1/1/07	<u>max of 2,498</u>
Total		max of 2,559

Action

Pursuant to ORS 731.988, National Union is assessed a civil penalty of \$30,000. 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 shall be *received* by the Insurance Division by the date of the final order.

Dated August 31, 2006

/s/ Donald E. Roberts, Jr.

[Signature of Representative]

Donald E. Roberts, Jr.

[Printed Name of Representative]

Assistant Vice President

[Printed Title of Representative]

National Union Fire Insurance Company of
Pittsburgh, Pennsylvania

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 September 27, 2006

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services