

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

In the Matter of **The United States Life Insurance Company in the City of New York** ) **STIPULATION and**  
 ) **FINAL ORDER**  
 ) Case No. INS 06-08-004

**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 The United States Life Insurance Company in the City of New York (USNY).

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

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

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

**Facts and Conclusions**

Licensing Information

USNY has been licensed in Oregon as a foreign insurer since 8/13/52. USNY's last recorded principal business address is located in Houston, Texas.

Issued Group Health Insurance Policy to Unapproved Association

USNY 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). Since 7/1/05, USNY issued a group health insurance policy to each of four associations that were not approved by the director, and insured under the policies a total of 76 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>
Protective Marketing Enterprises, Inc	7/1/05	17
Consumer Alliance USA	9/1/05	38
United Service Association for Health Care	7/1/05	16
American Consumer Health Association	9/1/05	<u>5</u>
Total		76

### **Action**

Pursuant to ORS 731.988, USNY is assessed a civil penalty of \$20,000. 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 (4<sup>th</sup> 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 September 6, 2006

/s/ Lizbeth C. Aaron-DiGiovanni

[Signature of Representative]

Lizbeth C. Aaron-DiGiovanni

[Printed Name of Representative]

Assistant Secretary

[Printed Title of Representative]

The United States Life Insurance Company in  
the City of New York

### **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 October 2, 2006

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services