

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

In the Matter of **American Medical and Life Insurance Company** ) **STIPULATION** and  
 ) **FINAL ORDER**  
 ) Case No. INS 11-12-006

**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 American Medical and Life Insurance Company (American Medical).

American Medical desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

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

American Medical stipulates to the following facts, conclusions, action, solely for the purposes of this proceeding; and to the issuance of a final order incorporating this stipulation.

**Facts and Conclusions**

Licensing Information

American Medical has been licensed in Oregon as a foreign insurer since 8/11/05. American Medical's Oregon Insurance Division company number is 3265, NAIC entity number is 81418, and federal employer identification number (FEIN) is 13-2562243. American Medical's last recorded principal place of business address is 8 West 38<sup>th</sup> Street Suite 1002, New York, NY 10018-0148; and telephone number is 646-223-9300.

Issued Group Health Insurance Policy to Unapproved Association

American Medical 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 policy insuring a person residing in this state, whether the policy has been issued or is to be issued in this or another state, unless the director

determines that the association satisfies certain requirements. For purposes of ORS 743.351, ORS 743.354, ORS 743.360, ORS 743.522(2), ORS 743.524, ORS 743.526, an insurer offers a policy when it proposes to issue or renew a policy, and an insurer offers coverage under such policy when it proposes to provide benefits of the policy to a person named or described in the policy. American Medical issued a group health insurance policy to each of four associations insuring persons residing in Oregon. After it offered each policy, or offered coverage under such policy, American Medical filed with the director information about the association pursuant to ORS 743.524(2) but the director determined that the association did not satisfy the applicable requirements. The name of the association, the period the policy was effective, and the number of Oregon residents insured under the policy, in each instance is as follows:

Name	Policy Number	Policy Effective	Policy Termination	Oregon Insureds
Association of Independent Managers	50006	6/1/06	12/31/09	18
Consumers Direct Association of America	10825	9/1/06	12/31/08	1
National Congress of Employers	50001	1/17/07	9/1/11	659
Consumer Health Choice Association	50011	8/1/07	9/1/11	<u>12</u>
Total				690

**Action**

Pursuant to ORS 731.988(1), American Medical is assessed a civil penalty of \$20,000.00. 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 or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, OR 97301-3880; 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 12/24/11

/s/ Medina Jett  
 [Signature of Representative]  
**Medina Jett**  
 [Printed Name of Representative]  
**General Counsel**  
 [Printed Title of Representative]

American Medical and 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 February 15, 2012

/s/ Patrick M. Allen  
Patrick M. Allen  
Director  
Department of Consumer and Business Services