

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-16-0339

CYPRESS BENEFIT ADMINISTRATORS
LLC,

FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
REVOKING LICENSE, ENTERED BY
DEFAULT

Respondent.

On September 24, 2016, the Director of the Department of Consumer and Business Services (“Director”), by and through the Division of Financial Regulation (“Division”), properly served Notice on Cypress Benefit Administrators LLC (“Respondent”) that the Director intended to revoke Respondent’s third party administrator license (“License”).

The Notice offered Respondent an opportunity for a hearing, if requested within 20 days. The Notice further informed Respondent that if a hearing was not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Director’s file and all materials submitted by Respondent in this case would automatically become part of the contested case record for the purpose of proving a *prima facie* case.

The Director did not receive from Respondent a request for a hearing and did not conduct a hearing.

The Director finds that the record of this proceeding proves a *prima facie* case.

The Director makes the following Findings of Fact, Conclusions of Law, Orders, and Notice of Right to Judicial Appeal.

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Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 FINDINGS OF FACT

2 The Director FINDS that:

3 1. Respondent has been licensed by the Director, by and through the Division of
4 Financial Regulation, previously known as the Insurance Division (collectively the
5 “Division”), as an Oregon third party administrator since January 12, 2011.
6 Respondent’s License expires on January 31, 2017. Respondent’s NAIC license number
7 is 0100170111.

8 2. Respondent was licensed as a third party administrator in Oregon for the
9 entire 2015 calendar year.

10 3. Respondent did not file its annual report for the 2015 calendar year on or
11 before the deadline of March 1, 2016.

12 4. The Division reminded Respondent of its annual reporting requirement by
13 email on July 20, 2016, and advised that if Respondent did not file its 2015 annual report
14 on or before August 20, 2016 the matter would be referred to enforcement. Respondent
15 did not file its 2015 annual report by August 20, 2016, and as of the date of this Order
16 still has not filed its 2015 annual report with the Division.

17 CONCLUSIONS OF LAW

18 The Director CONCLUDES that:

19 5. A person may not transact business or purport or offer to transact business as a
20 third party administrator in Oregon unless the person is licensed by the Director, by and
21 through the Division, as a third party administrator. Oregon Revised Statutes (“ORS”)
22 744.702.
23

24 6. Respondent is licensed with the Division as a third party administrator.

25 7. Under ORS 744.718(2)(j), the Director may revoke a third party administrator
26 license if a licensee violates any rule or order of the Director or any provision of the

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1 Insurance Code.

2 8. Under ORS 744.738(1) and Oregon Administrative Rule (“OAR”) 836-075-
3 0040, Respondent, as a third party administrator licensee in Oregon, was required to file
4 an annual report with the Division for the 2015 calendar year.

5 9. The deadline for Respondent to file the 2015 annual report with the Division
6 was March 1, 2016. Respondent did not file its 2015 annual report with the Division on
7 or before the deadline, in violation of ORS 744.738(1) and OAR 836-075-0040.

8 10. The Director may revoke Respondent’s Oregon third party administrator
9 license under ORS 744.718(2)(j) on the basis that Respondent violated Insurance Code
10 provision ORS 744.738(1) and OAR 836-075-0040.

11

12 ORDERS

13 Now therefore, the Director issues the following Orders:

14 11. As authorized by ORS 731.252(1), the Director ORDERS Respondent to
15 CEASE AND DESIST from violating any provision of the Insurance Code or the
16 administrative rules promulgated thereunder.

17 12. Based upon the foregoing and in accordance with ORS 744.718(2)(j), the
18 Director REVOKES Respondent’s Oregon third party administrator license on the basis
19 that Respondent violated ORS 744.738(1) and OAR 836-075-0040.

20

21 SO ORDERED this 18th day of October, 2016.

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PATRICK M. ALLEN, Director
Department of Consumer and Business Services

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/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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NOTICE OF RIGHT TO JUDICIAL APPEAL

You are entitled to judicial review of this order in accordance with ORS 183.482.
You may request judicial review by filing a petition with the Court of Appeals in Salem,
Oregon, within 60 days from the date this order is served.

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