STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **American Memorial Life Insurance Company**.	)	**STIPULATION** and **FINAL ORDER**
	)	Case No. INS 03-10-018

STIPULATION

The Director of the 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 Memorial Life Insurance Company (AMLIC).

AMLIC enters into this Stipulation, pursuant to ORS 183.415(5), to conclude this proceeding without further administrative or judicial proceedings.

AMLIC waives the right to receive a notice of proposed action, receive a notice of the rights of a party and procedures in contested cases, have a hearing, be represented by an attorney at the hearing, receive a proposed order, file exceptions to the proposed order, and have the Final Order judicially reviewed.

AMLIC stipulates to the following facts, conclusions, and action; and consents to issuance of a Final Order incorporating this Stipulation.

Facts and Conclusions

Licensing Information

AMLIC has been licensed in Oregon as a Life and Health insurer since 4/15/77. AMLIC's Oregon Insurance Division company number is 2111 and AMLIC's NAIC identification number is 67989. AMLIC's principal mailing address is located in Rapid City, South Dakota.

Terminated Agents Without Sufficient Notice

AMLIC violated ORS 744.175(1) (1999) and 744.081(1) in 35 instances by engaging in the following conduct. ORS 744.175(1) (1999), effective before 1/1/02, and 744.081, effective on and after 1/1/02, requires an insurer that terminates an agent that is authorized to represent the insurer in Oregon to "give written notice of

the termination and the date thereof to the agent at least 90 days prior to the effective date of the termination" and "must specify the reasons for the termination." From 3/23/01 to 5/20/03, AMLIC terminated 25 agents that were authorized to represent AMLIC in Oregon without giving them at least 90 days written notice, or without specifying therein the reason, or both.

Failed to Respond to Director

AMLIC violated ORS 731.296 in one instance by engaging in the following conduct. On 1/31/03, the Insurance Division mailed a letter to AMLIC requesting it to provide to the Insurance Division by 3/3/03 a list of agents that were authorized to represent AMLIC in Oregon that AMLIC terminated for any reason from 1/1/02 to 1/31/03. AMLIC received the letter. On 2/26/03, the Insurance Division received by mail from AMLIC a letter dated 2/24/03 but it did not include the requested information. On 7/1/03, the Insurance Division sent a follow up letter to AMLIC requesting (1) a list of agents that were authorized to represent AMLIC in Oregon that AMLIC terminated without 90 days written notice for any reason from 1/1/02 to 7/31/03, and (2) a copy of the termination letter for each agent on the list. On 7/22/03, the Insurance Division received from AMLIC the requested information.

Action

Pursuant to ORS 731.988, AMLIC is assessed a civil penalty of $4,700. 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 350 Winter Street NE, Room 440, Salem, OR 97301-3883, 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 November 24, 2003

/s/ Rob Harrington
[Signature of Representative]

Rob Harrington
[Printed Name of Representative]

Corporate Counsel
[Printed Title of Representative]

American Memorial 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 December 17, 2003

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

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