

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

In the Matter of **Combined Insurance
Company of America.**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 03-12-004

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 Combined Insurance Company of America (Combined).

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

Combined 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.

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

Facts and Conclusions

Licensing Information

Combined has been licensed in Oregon as a life and health insurer since 11/09/49. Combined's Oregon Insurance Division company number is 1459, and its NAIC identification number is 62146. Combined's principal business mailing address is located in Glenview, Illinois.

Terminated Agents Without Sufficient Notice

Combined violated ORS 744.175(1) and 744.081(1) in 293 instances by engaging in the following conduct. ORS 744.175(1) (1999), effective before 1/1/02, and ORS 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 1/3/00 to 5/31/03, Combined terminated 293 agents that were authorized to represent Combined in Oregon without giving at least 90 days written notice or without specifying the reason or both. Of these, the majority were terminated for reasons personal to the agent, such as job dissatisfaction, obtaining another job or personal problems.

Action

Pursuant to ORS 731.988, Combined is assessed a civil penalty of \$10,000. 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 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 March 12, 2004

/s/ Ronald D. Markovits
[Signature of Representative]

Ronald D. Markovits
[Printed Name of Representative]

Vice President & Corporate Secretary
[Printed Title of Representative]

Combined Insurance Company of America

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 March 29, 2004

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