

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

In the Matter of **Pan-American Life Insurance Company**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 06-06-014

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 Pan-American Life Insurance Company (PALIC).

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

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

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

Facts and Conclusions

Licensing Information

PALIC has been licensed in Oregon as a foreign insurer since 6/29/84. PALIC's last recorded principal business address is located in New Orleans, Louisiana.

Issued Group Health Insurance Policy to Unapproved Association

PALIC 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). From 7/1/03 to 2/1/04, PALIC issued a group health insurance policy to each of six associations which were not approved by the director, and insured under the policies an unknown number persons residing in Oregon. The

name of the association and the effective dates of the policy in each instance is as follows:

<u>Association / Group Policyholder</u>	<u>Effective Dates</u>
Universal Package Benefits Association	7/1/03 to 7/1/04
Value Benefits of America	9/1/03 to 9/1/04
United Service Association for Healthcare	9/1/03 to 9/1/04
Universal Services Association	10/1/03 to 12/1/03
Health Advocates Alliance	1/1/04 to 1/1/05
Healthcare Advantage Association	2/1/04 to 5/1/05

Action

Pursuant to ORS 731.988, PALIC is assessed a civil penalty of \$30,000. 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 (4th 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 13, 2006

/s/ Daniel LaGrone

[Signature of Representative]

Daniel LaGrone

[Printed Name of Representative]

Associate General Counsel

[Printed Title of Representative]

Pan-American 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 October 11, 2006

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services