

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

In the Matter of **Presidential Life Insurance Company**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 07-01-004

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 Presidential Life Insurance Company (Presidential Life).

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

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

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

Facts and Conclusions

Licensing Information

Presidential Life has never been licensed in Oregon as a foreign insurer. Presidential Life's last recorded principal business address is located in Dallas, Texas.

Issued Group Health Insurance Policy to Unapproved Association

Presidential Life is subject to enforcement action pursuant to ORS 743.524(1) because of the following circumstances. ORS 731.022 prohibits a person from transacting insurance in this state or relative to domestic risks without complying with the applicable provisions of the Insurance Code. Transacting insurance is defined in ORS 731.146 as including issuing policies of insurance. 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. At various times since 11/1/02, Presidential Life has

issued a group health insurance policy to each of three associations which were not approved by the director, and insured under the policies 280 persons residing in Oregon. The policies were issued in a state other than Oregon, to associations domiciled in a state other than Oregon.

Action

Pursuant to ORS 731.022, Presidential Life, an insurer that is not licensed in Oregon, shall not provide any new coverage or renew any existing coverage of a person residing in Oregon unless Presidential Life has complied with all applicable provisions of the Insurance Code including but not limited to ORS 743.524(1) regarding obtaining approval of associations as group policyholders.

Pursuant to ORS 731.988, Presidential Life is assessed a civil penalty of \$15,000. 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 May 15, 2007

/s/ J.W. Dewbre
[Signature of Representative]
J.W. Dewbre
[Printed Name of Representative]
General Counsel
[Printed Title of Representative]

Presidential 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 May 30, 2007

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