

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

In the Matter of **ACE American Insurance Company**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 07-02-010

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 ACE American Insurance Company (ACE American).

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

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

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

Facts and Conclusions

Licensing Information

ACE American has been licensed in Oregon as a foreign insurer since 7/1/66. ACE American's last recorded principal business address is located in Philadelphia, Pennsylvania.

Issued Group Health Insurance Policy to Unapproved Association

ACE American 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. Since 4/1/03, ACE American issued a group health insurance policy to

each of three associations which were not approved by the director, and insured under the policies 1,104 persons residing in Oregon.

Action

Pursuant to ORS 731.988, ACE American 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 April 9, 2007

/s/ Joe Vasquez
[Signature of Representative]
Joe Vasquez
[Printed Name of Representative]
Executive Vice President
[Printed Title of Representative]
ACE American 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 April 30, 2007

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

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