

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

In the Matter of **Reliance Standard Life
Insurance Company**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 07-03-007

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 Reliance Standard Life Insurance Company (Reliance Standard).

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

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

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

Facts and Conclusions

Licensing Information

Reliance Standard has been licensed in Oregon as a foreign insurer since 10/4/49. Reliance Standard's last recorded principal business address is located in Philadelphia, Pennsylvania.

Issued Group Life Insurance Policy to Unapproved Association

Reliance Standard is subject to enforcement action pursuant to ORS 743.351(1) because of the following circumstances. ORS 743.351(1) prohibits an insurer from offering a group life 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 certain requirements. On 1/1/05, Reliance Standard issued a group life insurance policy to the National

Association for Independent Business which was not approved by the director, and insured under the policy one person residing in Oregon.

Issued Group Health Insurance Policy to Unapproved Association

Reliance Standard is also 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. On 1/1/05 and on 2/1/05, Reliance Standard issued a group health insurance policy to American Medical Enterprise Association and the National Association for Independent Business both of which were not approved by the director, and insured under the policies 32 persons residing in Oregon.

Action

Pursuant to ORS 731.988, Reliance Standard is assessed a civil penalty of \$10,000.00. 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 March 28, 2007

/s/ Charles Denaro

[Signature of Representative]

Charles Denaro

[Printed Name of Representative]

Vice President & Secretary

[Printed Title of Representative]

Reliance Standard 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 April 16, 2007

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

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