STATE OF OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES INSURANCE DIVISION

In the Matter of Guarantee Trust Life Insurance)	STIPULATION and
Company)	FINAL ORDER
)	Case No. INS 07-04-005

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 Guarantee Trust Life Insurance Company (Guarantee Trust).

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

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

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

Facts and Conclusions

<u>Licensing Information</u>

Guarantee Trust has been licensed in Oregon as a foreign insurer since 3/1/62. Guarantee Trust's last recorded principal business address is located in Glenview, Illinois.

<u>Issued Group Health Insurance Policy to Unapproved Association</u>

Guarantee Trust 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. On 8/1/05, Guarantee Trust issued a group health insurance policy to

the Consumer Health Benefit Association which was not approved by the director, and insured under the policy 145 persons residing in Oregon.

Action

Pursuant to ORS 731.988, Guarantee Trust is assessed a civil penalty of \$5,000.00. 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 April 27, 2007 /s/ Allan J. Heindl

[Signature of Representative] Allan J. Heindl

[Printed Name of Representative]

Vice President

[Printed Title of Representative]

Guarantee Trust 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 21, 2007 /s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services

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