

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

In the Matter of **Health Net Health Plan of Oregon, Inc.**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 09-05-004

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 Health Net Health Plan of Oregon, Inc. (Health Net).

Health Net desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

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

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

Facts and Conclusions

Licensing Information

Health Net has been licensed in Oregon as a health care service contractor since 6/22/89. Health Net's last recorded principal business address is located in Tigard, Oregon.

Invested Excessive Percentage of Assets in Single Investment

Health Net is subject to enforcement action pursuant to ORS 733.770(1) because of the following circumstances. ORS 733.770(1) prohibits an insurer from having any combination of investments in or secured by the stocks, obligations, and property of one person, corporation or political subdivision in excess of 10 percent of the insurer's assets. Health Net had \$73,259,615, an amount exceeding 10 percent of its assets, invested in a money market mutual fund, as of 9/30/08. After the

director contacted Health Net about the excessive investment, Health Net took corrective action so that it complied with ORS 733.770(1).

Action

Pursuant to ORS731.988, Health Net is assessed a civil penalty of \$10,000. 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, 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 6/9/09

/s/ Chris Ellertson

[Signature of Representative]

Chris Ellertson

[Printed Name of Representative]

President

[Printed Title of Representative]

Health Net Health Plan of Oregon, Inc.

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 6/23/09

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services

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