

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

In the Matter of **Regence BlueCross BlueShield**) **STIPULATION** and
of Oregon) **FINAL ORDER**
) Case No. INS 09-05-003

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 Regence BlueCross BlueShield of Oregon (Regence).

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

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

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

Facts and Conclusions

Licensing Information

Regence has been licensed in Oregon as a domestic health care service contractor since 5/5/42. Regence's last recorded principal business address is located in Portland, Oregon.

Failed to Promptly Respond to Director's Inquiry

Regence is subject to enforcement action pursuant to ORS 731.296 because of the following circumstances. ORS 731.296 requires a person who is licensed in Oregon in any capacity under the Insurance Code to promptly and truthfully respond to an inquiry from the director. ORS 750.055(1)(a) makes, *inter alia*, ORS 731.296 applicable to health care service contractors like Regence.

On 8/21/07, the Insurance Division, on behalf of the director, sent a letter to Regence requesting certain information by 9/18/07. On 2/11/08, when Regence did not respond by the due date, the Insurance Division sent a follow up e-mail to Regence again requesting the information. On 2/19/08, 154 days late, the Insurance Division received from Regence an e-mail providing the information.

On 3/28/08, the Insurance Division, on behalf of the director, sent a letter to Regence requesting certain information by 4/28/08. On 5/22/08, 24 days late, the Insurance Division received from Regence an e-mail providing the information.

On 9/15/08, the Insurance Division, on behalf of the director, sent a letter to Regence requesting certain information by 10/13/08. On 12/8/08, when Regence did not respond by the due date, the Insurance Division sent a follow up e-mail to Regence again requesting the information. On 1/5/09, 84 days late, the Insurance Division received from Regence an e-mail providing the information.

Action

Pursuant to ORS 731.988(1), Regence is assessed a civil penalty of \$5,000. 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/ J. Bart McMullen, Jr.
[Signature of Representative]
J. Bart McMullen, Jr.
[Printed Name of Representative]
President
[Printed Title of Representative]
Regence BlueCross BlueShield of Oregon

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 6/17/09

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

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