

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

In the Matter of:
**LIFEWISE HEALTH PLAN
OF OREGON.**

) **STIPULATION**
) and
) **FINAL ORDER**
) Case No. INS 08-04-001
)

BACKGROUND

The Director of the Department of Consumer and Business Services (Director) commenced the above entitled administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to deny LifeWise Health Plan of Oregon's (LifeWise) requests to exempt from public disclosure certain information included in rate filings submitted to the Director pursuant to ORS 743.018(3) and Oregon Administrative Rules (OAR) 836-053-0910(7)(b) and (c).

LifeWise withdraws its request for a hearing and enters into this Stipulation to conclude this proceeding without further administrative or judicial proceeding, pursuant to ORS 183.417 and related rules.

LifeWise has fully read and understood the contents of this Stipulation and Final Order and, having been fully advised by legal counsel or had the opportunity to seek legal advice, waives any and all rights to appeal, seek judicial review, or otherwise challenge this Stipulation and Final Order.

The person signing this Stipulation on behalf of LifeWise represents that he or she is so authorized by LifeWise.

LifeWise agrees to the following facts, conclusions, and action:

Facts

1. LifeWise has been licensed in Oregon as a domestic life and health company since December 24, 1986.
2. OAR 836-053-0910(7)(b) and (c) requires an insurer that submits a request for exemption of certain information in a rate filing from public disclosure to include with the request, before or at the time the rate filing is made, a clear and detailed explanation of how the part or parts of the filing meet the requirement of a trade secret along with a clear and detailed explanation and evidence that public disclosure of the trade secret would harm competition in the Oregon health insurance market.
3. On March 10, 2008, the Director received from LifeWise a request to exempt from public disclosure certain information to be included in an anticipated small group rate filing as allowed by ORS 743.018(3). Those requests included an explanation of how the parts of the filing would meet the requirement of a trade secret, but the Director found that the request did not establish how the release of the information would harm competition in the Oregon health insurance market.
4. On March 21, 2008, the Director sent to LifeWise a letter denying LifeWise's request for exemption of the identified information from public disclosure and provided LifeWise with an opportunity to request a hearing on the proposed action within five days of receipt of the letters pursuant to OAR 836-053-0910(8). Subsequently, in a letter dated May 22, 2008, the Director revised the March 21, 2008 letter to include information for which an exemption had been requested but was inadvertently excluded in the previous denial letter.
5. On March 31, 2008, the Director received a timely request for a hearing to contest the Director's decision to deny LifeWise's request for exemption of certain information included in its rate filing.

6. On June 12, 2008, the Director issued a Notice of Proposed Action to LifeWise denying LifeWise's request for exemption of certain rate filing documents from public disclosure.

7. LifeWise has subsequently provided to the Director a detailed explanation of how certain documents and information contained in the filing meet the requirements of a trade secret, and established how the release of such information would harm competition in the Oregon health insurance market.

Conclusions

The Director agrees that certain information provided by LifeWise in its small employer rate filings qualifies for protection under ORS 743.018(3) and OAR 836-053-0910 in that the information contains protected trade secrets, the disclosure of which would harm competition by allowing competitors in the Oregon market to strategically target low risk consumers and selectively under-price certain products for consumers, which could result in fewer competitors in the market and fewer and more expensive choices for consumers.

LifeWise agrees that certain information provided by LifeWise in its small group rate filing, for which LifeWise had requested exemption, does not qualify for protection and shall be disclosed consistent with the division's statutes and rules upon signing of this stipulation by both parties.

Action

The Director agrees to the redaction of a limited and narrowly targeted amount of trade secret information contained in LifeWise's small group rate filing. The remaining information in the rate filing will be publicly disclosed upon execution of this Order. Five pages of the rate filing contain redactions and are attached to this Order and incorporated by reference herein. Specifically, the Director agrees to exempt from public disclosure the following information described below:

1. Filing Document: Two sentences at the bottom of page two of the filing document that contain information describing the rate change calculation will be redacted. Seven lines on page three of the filing document will be redacted as they contain information developed by LifeWise that would enable a competitor to gain insight into LifeWise's experience with its customer base. This information is based upon data that will be redacted from the documents described in paragraphs 2 and 3 below.
2. Appendix A- Rate Development: The four columns of figures on this one page document, except for the rows labeled "Annual Projected Trend" and "Target Loss Ratio", will be redacted. These numbers indicate claim costs and the cost of specific benefits that are components of the plans and include trend factors, age tier factors, and participation factors.
3. Appendix B1-Rating Factors-Plan Relativity: The four columns of figures on this one page document will be redacted as they reflect proprietary information based on LifeWise's actuaries' expertise and experience regarding LifeWise's product and rating strategy.
4. Appendix B.2-Rating Factors-Trend Factors: The three columns of figures on this one page document will be redacted as these numbers include information on trend adjustments that could be used to develop new products, modify existing products, and target market segments. The annual trend factors on this page will be public for this filing.

Dated 11/18/08

LifeWise Health Plan of Oregon

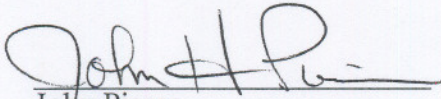
By: Majid El-Azma

Print: Majid El-Azma

Title: President & CEO

Authorized Representative

APPROVED AS TO FORM:



John Pierce
Attorney for LifeWise Health Plans of Oregon

FINAL ORDER

The Director adopts, and incorporates herein by this reference, the Facts, Conclusions and Action in the above Stipulation as the Findings of Fact, Conclusions of Law and Order, respectively, of this Final Order.

Dated: JAN 16 2009



Cory Streisinger
Director
Department of Consumer and Business Services,
State of Oregon