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

In the Matter of <b>Pan-American Life Insurance</b>	)	STIPULATION and
Company	)	FINAL ORDER
	)	Case No. INS 11-03-011

#### **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 Pan-American Life Insurance Company (Pan-American).

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

Pan-American waives all rights relative to an administrative hearing and judicial review thereof.

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

## **Facts and Conclusions**

### **Licensing Information**

Pan-American has been licensed in Oregon as a foreign insurer since 6/29/84. Pan-American's last recorded principal business address is located in New Orleans, Louisiana.

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

Pan-American 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 insuring a person residing in this state, whether issued in this or another state, unless the director determines that the association satisfies certain requirements. Pan-American issued a group health insurance policy to an association insuring persons residing in Oregon. Before it

issued the policy, Pan-American did not file with the director information about the association pursuant to ORS 743.524(2) and therefore the director did not determine that the association satisfied the applicable requirements.

#### Action

Pursuant to ORS 731.988(1), Pan-American 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 or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, Oregon 97301-3880; 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 28, 2011 /s/ Daniel LaGrone

[Signature of Representative]
Daniel LaGrone

[Printed Name of Representative]

Vice President, Associate General Council

[Printed Title of Representative]

Pan-American 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 July 11, 2011 /s/ Scott L. Harra
Scott L. Harra
Acting Director
Department of Consumer and Business Services

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