

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

In the Matter of **Providence Health Plan**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 11-03-012

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 Providence Health Plan (Providence).

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

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

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

Facts and Conclusions

Licensing Information

Providence has been licensed in Oregon as a domestic health care service contractor since 9/5/84. Providence's last recorded principal business address is located in Beaverton, Oregon.

Issued Group Health Insurance Policy to Unapproved Trust

Providence is subject to enforcement action pursuant to ORS 743.526(1) because of the following circumstances. ORS 743.526(1) prohibits an insurer from offering a group health insurance policy to a trust, or from offering coverage under such policy, insuring a person residing in this state, whether the policy has been issued or is to be issued in this or another state, unless the director determines that the trust satisfies certain requirements. Providence issued two group health insurance policies to two trusts insuring persons residing in Oregon. Before it offered each

policy, or offered coverage under such policy, Providence did not file with the director information about the trust pursuant to ORS 743.526(3) and therefore the director did not determine that the trust satisfied the applicable requirements.

Action

Pursuant to ORS 731.988(1), Providence 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 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 June 23, 2011

/s/ Carrie Smith
[Signature of Representative]
Carrie Smith
[Printed Name of Representative]
Director Regulatory Compliance and Government Affairs
[Printed Title of Representative]
Providence Health Plan

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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