STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION
OFFICE OF THE DIRECTOR

In the Matter of:	) Case No. INS-FR 16-12-001
	)
HEALTH REPUBLIC INSURANCE COMPANY	) ORDER EXTENDING SUPERVISION
	)

On October 21, 2015, the Director, Department of Consumer and Business Services (DCBS), had reasonable cause to believe and determine that Health Republic Insurance Company (HRIC), an Oregon health care service contractor, was in such condition that its continuation of business in the manner currently being conducted was hazardous to the public or to its insureds. The Director, therefore, issued an order of immediate supervision, Case No. INS 15-10-018. The order set forth the requirements to abate the conditions set forth in the order and placed HRIC under the immediate supervision of the director for 60 days. On December 21, 2015, the Director issued an extension order. On February 19, 2016, the Director issued an extension order. On April 19, 2016, the Director issued an extension order. On June 18, 2016, the Director issued an extension order. On August 17, 2016, the Director issued an extension order. On October 16, 2016, the Director issued an extension order.

Determinations

Pursuant to ORS 734.047(2), the Director determines that the conditions giving rise to the supervision still exist at the end of the supervision period.

The Director has additionally determined that should HRIC's Capital and Surplus be reduced to a level below $3.0 million, or its board of directors composition no longer meets the requirements of ORS 750.015, or its board of directors no longer has at least three members, the Director will require that HRIC be placed in liquidation under ORS 734.170.

Order Extending Appointment of Supervisor

The Director notified HRIC that commencing from Wednesday, October 21, 2015, HRIC was under supervision of the Director for 60 days (subject to extension under ORS 734.047(2)) and that the Director appointed Laura Cali, Insurance Commissioner, as the special deputy director to act for the Director as supervisor of HRIC with authority to employ such counsel,

clerks, and assistants as she deems necessary. The supervision was extended for 60 days on the following dates: December 21, 2015; February 19, 2016; April 19, 2016; June 18, 2016; August 17, 2016; and October 16, 2016. The Director is hereby extending the supervision, without change except as stated herein, for a period of 60 days under ORS 734.047(2).

This order is effective December 15, 2016.

DATED this 6 day of December, 2016.

Laura N. Cali, Commissioner
Division of Financial Regulation

Notice of Right to Hearing

Pursuant to ORS 731.385(3) and 734.043(7), HRIC may during the period of supervision file a written request for a hearing to review this order with the Division of Financial Regulation. Such request will not stay the effect of the order. HRIC must specify in its request the manner in which the action complained of would not result in improving the condition of HRIC. If requested, a hearing will be held within 30 days after the filing of the request before the director. The director will notify HRIC of the procedures, time, and place of the hearing. The director shall complete the review within 30 days after the record for the hearing is closed, and shall discontinue the action taken under this order if the director determines that none of the conditions giving rise to the action exists. ORS 731.385(3) and 734.043(7).