

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

IN THE MATTER OF BEST LIFE)	STIPULATION AND CONSENT
AND HEALTH INSURANCE)	ORDER
COMPANY,)	
Respondent)	Case No. INS 15-05-005
)	

The Director of the Oregon Department of Consumer and Business Services (Director), by and through the Insurance Division, commenced this administrative proceeding, pursuant to ORS 731.256, to take enforcement action against BEST Life and Health Insurance Company (“BEST”), NAIC Number 90638. The parties, having conducted negotiations regarding the Director’s notice of proposed action, have reached agreement as set forth in this Stipulation and Consent Order (“Stipulation”).

FINDINGS OF FACT

1. BEST is an approved standalone dental insurer authorized to do business in Oregon.
2. On December 15, 2014, BEST was advised by email that the Director, through the Insurance Division, was implementing a system of monthly data calls regarding the policies issued by BEST. In that email the Insurance Division informed BEST that the data would consist of a “snapshot” of effectuated enrollment as of the 15th day of each month. The email also set forth the due dates for the monthly data calls for the months of December 2014, and January and February 2015. Further, the email prescribed a format for reporting the requested information.
3. The email informed BEST that the December 15, 2014, effectuated enrollment data was due on December 29, 2014. BEST did not submit the December data until February 25, 2015.
4. BEST was informed that the January 15, 2015, data was due on January 28, 2015. BEST did not submit the January data until February 25, 2015.

5. On March 24, 2015, the Insurance Division informed BEST by email that the March 15, 2015, data was due on March 27, 2015, and that subsequent monthly data reports were due on the last Wednesday of each month thereafter. BEST did not submit any data for March 2015.
6. The emails to BEST prescribed a format that was to be used in responding to each data call. For the April 2015 data call, due on April 29, 2015, BEST used an incorrect format for reporting its data and consequently failed to provide all of the requested data.

ULTIMATE FINDINGS OF FACT

1. BEST filed late responses to data calls in December 2014 and January 2015.
2. BEST did not file any response to the March 2015 data call.
3. BEST's response to the April 2015 data call used an incorrect format that was differed from the format specified by the Director.

CONCLUSIONS OF LAW

1. BEST violated ORS 731.296 by failing to promptly respond to the Director's December 2014 data call.
2. BEST violated ORS 731.296 by failing to promptly respond to the Director's January 2015 data call.
3. BEST violated ORS 731.296 by failing to promptly respond to the Director's March 2015 data call.
4. BEST violated ORS 731.296 by failing to respond to the Director's April 2015 data call using the form of communication requested by the Director.

STIPULATION TO ORDER AND CIVIL PENALTY

1. The Director is authorized to impose civil penalties of not more than \$10,000 for each offense against a person that violates any provision of the Insurance Code. ORS 731.988(1).
2. The Director hereby imposes upon BEST civil penalties totaling \$30,000 as follows: A \$5,000 civil penalty based upon BEST's late response to the December 2014 data call; a \$10,000 civil penalty based upon BEST's late

response to the January 2015 data call; a \$10,000 civil penalty based upon BEST's failure to submit a response to the March 2015 data call; and a \$5,000 civil penalty based upon BEST's failure to respond in the proper format to the April 2015 data call.

3. The civil penalties are due and payable as follows: \$10,000 is due and payable within 15 days of the effective date of this Stipulation. The remaining \$20,000 of the civil penalties is suspended for a period of twelve months following the effective date of this Stipulation on the condition that BEST fully complies with all of its obligations under the Oregon Insurance Code and related administrative rules, including, without limitation, its obligation to timely and accurately respond to the Director's data calls. If BEST fully complies with all of its obligations under the Oregon Insurance Code and related administrative rules, suspension of \$20,000 of the civil penalties will become permanent after the passage of twelve months.
4. BEST acknowledges that it has committed additional violations of the Insurance Code in addition to those specifically identified in this Stipulation by failing to timely respond to other data calls by the Director. The Director stipulates that he will defer action on any other failures by BEST to timely and accurately respond to the Director's data calls occurring prior to November 2015 on the condition that BEST fully complies with all of its obligations under the Oregon Insurance Code and related administrative rules for the twelve months immediately following the effective date of this Stipulation. The parties stipulate that if BEST violates any of its obligations under the Oregon Insurance Code or related administrative rules during the twelve months immediately following effective date of this Stipulation, then the Director may initiate administrative enforcement proceedings for any violations for which civil penalties have not already been imposed as part of this Stipulation.
5. BEST stipulates to all of the matters set forth in this Stipulation and agrees to imposition of civil penalties totaling \$30,000.

6. BEST acknowledges that this Stipulation is part of an administrative action that the Director will report to the National Association of Insurance Commissioners (NAIC), and further acknowledges that it may be required to report this administrative action to other states in which it is authorized to do business and that it may be required to disclose this administrative action on future applications.
7. The effective date of this Stipulation is the first day of the month immediately following the month in which it is signed by the last subscribing party.
8. BEST consents to entry of this order, including the civil penalty of \$30,000, and hereby waives any and all hearing rights as well as any rights to judicial or administrative review of this order.

Dated 1/6/2016 /s/ Paul Peatross
Best Life and Health Insurance Company
By Paul Peatross
Its President

State of California
County of Orange

Signed or attested before me on Jan 6th, 2016
by Paul Peatross.
/s/ Mojgan Mashhoud.
Notary Public - State of California

Dated 1/26/2016 /s/ Laura Cali
Laura N. Cali, FCAS, MAAA
Insurance Commissioner and Chief Actuary
For the Director, Department of Consumer and
Business Services