STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OREGON

In the Matter of the Certificate of Authority of FINANCIAL AMERICAN LIFE INSURANCE COMPANY, Overland Park, Kansas	)))	SUSPENSION ORDER Case No. INS-FR 17-05-008

INTRODUCTION

The Insurance Commissioner of the State of Oregon (Commissioner) hereby issues a Suspension Order to FINANCIAL AMERICAN LIFE INSURANCE COMPANY (FIN AM LIC) under Oregon Revised Statutes (ORS) 731.256 and 731.414 because the Commissioner has reason to believe the following:

FINDINGS OF FACT

Since September 4, 1990, FIN AM LIC, a Kansas corporation, has been issued a certificate of authority pursuant to ORS 731.402. It is currently authorized to transact Life and Health insurance within the state of Oregon.

On or about May 15, 2017, FIN AM LIC filed financial statements reflecting capital and surplus of $2,402,028 as of March 31, 2017.

ULTIMATE FINDINGS OF FACT

FIN AM LIC did not maintain at least $2,500,000 in capital and surplus, or any combination thereof, as required by ORS 731.554.

CONCLUSIONS OF LAW

FIN AM LIC did not comply with the minimum capital and surplus requirement of ORS 731.554 for a certificate of authority.

Such condition is a ground under ORS 731.414(1)(a) for suspending an insurer's certificate of authority without a hearing under ORS 731.414(2).

ORDER

Pursuant to ORS 731.414, the Oregon certificate of authority issued to FIN AM LIC is suspended. The period of suspension shall be continuous from the date of this order until rescinded by further written order of the Commissioner, pursuant to ORS 731.426(1). Pursuant to ORS 731.426(2), during the period of suspension, FIN AM LIC shall not solicit or issue new policies of insurance in this state or assume any Oregon risk. During the period of suspension, FIN AM LIC shall also not issue renewal policies in this state. FIN AM LIC shall file its annual financial statement and pay any fees and taxes required to be paid. FIN AM LIC shall service any existing policies of insurance issued to persons residing in Oregon in accordance with Oregon Law.

Pursuant to ORS 731.422(2), the authority of all producers to represent FIN AM LIC within the state of Oregon is also suspended. The period of suspension shall be for the same period that the certificate of authority issued to FIN AM LIC is suspended. During the period of suspension, a producer may represent FIN AM LIC only to the extent that FIN AM LIC may service any existing policies of insurance issued to persons residing in Oregon and that FIN AM LIC has authorized the producer to represent it.

FIN AM LIC is hereby ordered to provide a copy of this suspension order to all appointed

producers within 14 days of the date of this order. The company shall provide to the Commissioner within 21 days from the date of this order an affidavit certifying that notice to appointed producers has been provided.

Issued the 2nd day of June, 2017.

Laura Cali Robison
Insurance Commissioner
Administrator, Division of Financial Regulation

NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING

As provided by the Oregon Administrative Procedures Act, ORS Chapter 183, any person affected by the foregoing is entitled to a formal contested case hearing before an Administrative Law Judge assigned by the Office of Administrative Hearings.

In accordance with ORS 183.415, a party must file a written request for a contested case hearing within 20 days from the date the order was served personally, or by registered or certified mail. An order that is served by registered or certified mail is complete and effective on the date it is mailed to the correct address, even if it is not received by the person to be notified or if that person fails or refuses to accept service of the order.

If a party does not timely file a hearing request, their right to a hearing shall be considered waived.

A written hearing request should be directed to:

Department of Consumer and Business Services
Division of Financial Regulation
350 Winter Street NE, Room 410
Salem, OR 97301-3881
Attn: Douglas Sedwick

In accordance with OAR 137-003-0550(1), a party that is a natural person may submit a hearing request without the assistance of an attorney.

Subject to exceptions, any hearing request that is submitted on behalf of a corporation, partnership, limited liability company, unincorporated association, trust or governmental body by a person that is not licensed to practice law in Oregon must be ratified, in writing, by a person that is allowed to practice law in Oregon within 28 days from the day the hearing request was received by the Director. In that circumstance, the filing date will be the date the hearing request was received, not the ratification date. A hearing request that is not properly ratified is invalid.

Any party that validly requests a hearing will be notified of the time and place of the hearing. If a party does request a hearing, additional information regarding rights of the party will be provided prior to the hearing. A legal aid organization may be able to assist a party with limited financial resources.

The Director may enter a final order by default against any party that: 1) does not file a request a hearing within 20 days from the date the order was served; 2) files a hearing request, but does not timely ratify it (if required); 3) withdraws the request for a hearing; or, 4) notifies the Director of the Department of Consumer and Business Services or the Administrative Law Judge that they will not appear, or fails to appear, at the scheduled hearing.

NOTICE TO ACTIVE DUTY SERVICEMEMBERS

Active duty service members have a right to stay these proceedings under the federal Service members Civil Relief Act. For more information contact the Oregon State Bar at 800-452-8260, the

Oregon Military Department at 800-452-7500 or the nearest United States Armed Forces Legal Assistance Office through http://legalassistance.law.af.mil.

STATEMENT OF REASONABLE ACCOMMODATION

All proceedings will be conducted in a wheelchair accessible location. Written materials may be provided and/or graphic displays may be presented during the proceeding. For any other accommodation needed by individuals due to a disability, please contact the agency staff person noted below.

AGENCY CONTACT INFORMATION

Questions concerning the issues raised in the order may be directed to Douglas Sedwick, Oregon Department of Consumer and Business Services, Division of Financial Regulation, Enforcement Section, telephone (503) 378-4140.

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