

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

In the Matter of:

Case No. INS-17-0019

PACIFICSOURCE HEALTH PLANS,  
  
Respondent.

FINAL ORDER TO CEASE AND  
DESIST AND ORDER ASSESSING  
CIVIL PENALTIES, ENTERED BY  
CONSENT

WHEREAS, the Director of the Department of Consumer and Business Services for the State of Oregon ("**Director**"), acting in accordance with Oregon Revised Statutes ("**ORS**") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 ("**Insurance Code**"), has conducted an investigation of PacificSource Health Plans ("**Respondent**") regarding violations of the Insurance Code; and

WHEREAS Respondent wishes to resolve this matter with the Director;

NOW THEREFORE, as evidenced by the signatures subscribed in this Order, Respondent hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is licensed by the Director, by and through the Division of Financial Regulation, previously known as the Insurance Division (collectively the "**Division**"), as a health care service contractor. Respondent's principal place of business is 110 International Way, Springfield, OR 97477. Respondent's National Association of Insurance Commissioners company number is 54976.

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Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387







1 Thousand Dollars (\$10,000) for the three violations of ORS 731.296 and 731.260  
2 identified in Paragraph above. The \$10,000 CIVIL PENALTY is due and payable at the  
3 time this Order is returned to the Division

4 14. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that  
5 provision, entry of this Order in no way limits or prevents further remedies, sanctions, or  
6 actions which may be available to the Director under Oregon law to enforce this Order,  
7 for violations of this Order, for conduct or actions of Respondent that are not covered by  
8 this Order, or against any party not covered by this Order.

9  
10 SO ORDERED this 22<sup>nd</sup> day of March, 2017.

11 PATRICK M. ALLEN, Director  
12 Department of Consumer and Business Services

13  
14 /s/ T.K. Keen  
15 T.K. Keen, Deputy Administrator  
16 Division of Financial Regulation

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**CONSENT TO ENTRY OF ORDER**

I, Kristin Kernutt, state that I am an officer of PacificSource Health Plans (“**Respondent**”), and that I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that I have been advised of Respondent’s right to a hearing in this matter; that Respondent has been represented by counsel in this matter; that Respondent voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that Respondent executes this Order as a settlement of the matters referred to in the foregoing Order; that Respondent understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code by Respondent, and; that Respondent will fully comply with the terms and conditions stated herein.

Respondent understands that this Order is a public document.

/s/ Kristin Kernutt  
Signature  
/s/ Kristin Kernutt  
Printed name  
Secretary  
Office held

State of OREGON  
County of Marion

There appeared before me this 22<sup>nd</sup> day of March, 2017, Kristin Kernutt, and stated that he/she was and is an officer of Respondent, and that he/she is authorized and empowered to sign this Order on behalf of Respondent, and to bind it to the terms hereof.

Margaret A. Clark  
Notary Public - State of Oregon

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