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

In the Matter of:	Case No. INS-18-0026
JORDAN MORRIS, Respondent.	FINAL ORDER TO CEASE AND DESIST, ENTERED BY DEFAULT

On May 30, 2018, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), by and through the Division of Financial Regulation ("Division"), properly served Jordan Morris ("Respondent") with an order to cease and desist ("Cease and Desist Order") from violating any provision of the Insurance Code.

The Cease and Desist Order offered Respondent an opportunity for a hearing if requested within 20 days of service of the Cease and Desist Order. The Cease and Desist Order further informed Respondent that if a hearing was not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Respondent in this case would automatically become part of the contested case record for the purpose of proving a prima facie case.

The Director did not receive from Respondent a request for a hearing and did not conduct a hearing.

The Director finds that the record of this proceeding proves a prima facie case.

Now, therefore, after considering the relevant portions of the Division's file relating to this matter, the Director finds and orders as follows.

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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

FINDINGS OF FACT

The Director FINDS that:

1. Health Discount Systems, Inc. ("HDS") is a California corporation with its last recorded principal place of business at 11805 Forsythia Street, Jurupa Valley, CA 91752.

2. Respondent has never obtained a license from the Director to operate as a discount medical plan organization. HDS has never obtained a license from the Director to operate as a discount medical plan organization.

3. Until on or around March 5, 2018, HDS operated the website www.healthdiscountsystems.com, which advertised that "Health Discount Systems offers a variety of health packages to keep you and your family protected which includes: Emergency Room Coverage, Hospital Coverage, Accidental Injury, Doctor Visits, Accidental Death Benefit, Prescription Drugs, Dental Services and Vision."

4. On October 30, 2017, an Oregon consumer received an email from Respondent offering a "bundled health plan" and a "health insurance plan." The email from Respondent concluded by inviting the consumer to "visit our website at http://healthdiscountsystems.com/."

5. On May 30, 2018, the Division properly served Respondent with a Cease and Desist Order. Respondent had 20 days to timely request a hearing. The Division did not receive a request for hearing from Respondent.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

6. Pursuant to ORS 731.252(1), whenever the Director has reason to believe that any person has been engaged or is engaging or is about to engage in any violation of the Insurance Code, the Director may issue an order, directed to such person, to discontinue

or desist from such violation or threatened violation.

7. Pursuant to ORS 742.422(1), a person may not conduct business as or purport to conduct business as a discount medical plan organization unless the person first obtains a license to operate as a discount medical plan organization from the Director.

8. Respondent violated ORS 742.422(1), by conducting business or purporting to conduct business as a discount medical plan organization without first obtaining a license as described in Paragraph 2, Paragraph 3 and Paragraph 4.

9. Pursuant to ORS 742.434(1), a person may not use or disseminate in marketing, advertising, promotional, sales or plan documents or other informational materials for discount medical plans or in communications with plan members or prospective plan members: (a) misleading, deceptive or false statements; or (b) the terms "health plan," "coverage," "copay," "copayments," "deductible," "preexisting condition," "guaranteed issue," "premium," "preferred provider organization" or other terms in a manner that could reasonably mislead an individual into believing that the discount medical plan is insurance.

10. Respondent violated ORS 742.434(1) as described in Paragraph 4 by offering a "bundled health plan" and a "health insurance plan" that could reasonably mislead an individual into believing that the offered plan was insurance.

11. The Director has reason to believe that Respondent has been engaged or is engaging or is about to engage in violation(s) of ORS 742.422(1) and ORS 742.434(1).

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ORDER

Now, therefore, the Director issues the following Order:

12. As authorized by ORS 731.252(1), the Director ORDERS Respondent to CEASE AND DESIST from violating ORS 742.422(1), ORS 742.434(1) or any other provision of the Insurance Code or the administrative rules promulgated thereunder.

SO ORDERED this 9th day of July, 2018.

CAMERON C. SMITH, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

NOTICE OF RIGHT TO JUDICIAL APPEAL

You are entitled to judicial review of this order in accordance with ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this order is served.

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