

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

In the Matter of:

Case No. INS-19-0127

MINNESOTA LIFE INSURANCE
COMPANY, a Minnesota Corporation,

Respondent.

ORDER TO CEASE AND DESIST,
FINAL ORDER ASSESSING CIVIL
PENALTIES, AND CONSENT TO
ENTRY OF ORDER

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 into the activities of Minnesota Life Insurance Company (“Respondent”) and determined that Respondent engaged in violations of the Insurance Code.

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has held an Oregon insurer license since August 14, 1923. Respondent’s NAIC number is 66168.
2. Respondent’s principal place of business is 400 N. Robert St., St. Paul, Minnesota 55101.
3. Beginning in or around December 2017, Respondent directed a third-party vendor to distribute advertisements containing enrollment forms and applications for accident death and dismemberment products (“Advertisements”) to Oregon consumers. At

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



1 this time, Respondent had not submitted the Advertisements to the Division of Financial
2 Regulation (“Division”) for approval.

3 4. In or around January 2018, Respondent became aware that Oregon requires pre-
4 approval for insurance advertisements that contain applications or enrollment forms.

5 5. Respondent did not submit the Advertisements to the Division for approval
6 until on or around May 10, 2018.

7 6. On July 2, 2018, the Division approved the Advertisements.

8 7. From in or around December 2017 through on or around July 1, 2018,
9 Respondent continuously distributed the Advertisements to Oregon consumers. In that
10 time, Respondent distributed approximately 668,000 Advertisements to Oregon
11 consumers. Of that number:

12 (A) 5,406 enrolled in \$2,000 of complimentary insurance; and

13 (B) 829 were approved for additional, supplemental insurance.

14 CONCLUSIONS OF LAW

15 The Director CONCLUDES that:

16 8. By distributing unapproved Advertisements to approximately 668,000 Oregon
17 consumers during a seven-month period, Respondent violated Oregon Administrative
18 Rules (“OAR”) 836-020-0285.

19 9. Because the Director has reason to believe that Respondent has been engaged
20 in violations of the Insurance Code, the Director may issue an order to Respondent to cease
21 and desist, under ORS 731.252(1).

22 10. The Director may impose a civil penalty of up \$10,000 *per violation* upon any
23 person who violates a provision of the Insurance Code, under ORS 731.988(1).

24 ORDERS

25 Now therefore, the Director issues the following Orders:

26 11. Based upon the foregoing and as authorized by ORS 731.252(1), the Director



1 ORDERS Respondent to CEASE AND DESIST from violating OAR 836-020-028.

2 12. Based upon the foregoing and as authorized by ORS 731.988(1), the Director
3 hereby ORDERS that Respondent be subject to a CIVIL PENALTY of \$10,000 for
4 violating OAR 836-020-0285.

5 13. The Director hereby suspends payment of \$5,000 of the CIVIL PENALTY for
6 a period of three years, provided Respondent:

7 (A) Pays the remaining \$5,000 of the CIVIL PENALTY pursuant to the
8 terms of this Order; and

9 (B) Does not violate the Insurance Code within the three-year time period.

10 14. The non-suspended portion of the CIVIL PENALTY assessed herein (\$5,000)
11 is due and payable on the effective date of this Order.

12 15. The suspended CIVIL PENALTY (\$5,000) will be waived three years from the
13 effective date of this Order, provided Respondent has complied with the foregoing Order
14 terms. The Director reserves the right to immediately assess and collect the suspended
15 civil penalty upon a determination that Respondent has violated any term of this Order.

16 16. This Order is binding upon Respondent’s successors and assigns.

17 SO ORDERED this 27th day of December, 2019.

18
19 LOUIS SAVAGE, Acting Director
20 Department of Consumer and Business Services

21 /s/ Dorothy Bean
22 Dorothy Bean, Chief of Enforcement
23 Division of Financial Regulation

24 *[The remainder of this page intentionally left blank.]*
25
26

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



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CONSENT TO ENTRY OF ORDER

I, Dan Preiner, state that I am an officer of Respondent and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of Respondent’s right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will effect insurance services in Oregon unless such activities are in full compliance with the Insurance Code. Respondent understands that this Consent Order is a public document.

Signature: /s/ Dan Preiner

Position Held: Second Vice President, Law

State of Minnesota

County of Ramsey

Signed or attested before me on this 12th day of December, 2019

by Daniel Preiner.

/s/ Lisa M. Girgen
Notary Public

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

