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

In the Matter of: PIONEER EDUCATORS HEALTH TRUST, Respondent.	Case No. INS-19-0004 FINAL ORDER TO CEASE AND DESIST AND ORDER ASSESSING CIVIL PENALTY, 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 Pioneer Educators Health Trust ("***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.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. The Director, by and through the Division of Financial Regulation, previously known as the Insurance Division (collectively the "***Division***"), granted Respondent a Certificate of Authority to operate as an Oregon multiple employer welfare arrangement ("***MEWA***") on or around April 14, 2003. A MEWA is an arrangement where a group of employers pool their contributions in a self-contributing benefits plan for their

employees. Respondent's National Association of Insurance Commissioners company number is 12619.

2. Respondent is a self-funded large group MEWA that, at relevant times, provided a health benefit plan to higher educational institutions located in Oregon. As of December 31, 2017, five institutions were participants in the MEWA, including the following: Linfield College, Lewis & Clark College; George Fox University; Pacific University; and Reed College.

3. On September 18, 2018, Respondent submitted its 2017 audited financial report to the Division.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

4. Under 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.

5. Under ORS 750.325(1), each multiple employer welfare arrangement holding a certificate of multiple employer welfare arrangement must file an annual financial statement with the Director.

6. Under ORS 750.325(2), each annual financial statement filed under subsection (1) of this section must be audited by a certified public accountant according to the requirements of ORS 731.488 and rules adopted thereunder.

7. Under ORS 750.333(1)(b), ORS 731.488 applies to trusts carrying out a multiple employer welfare arrangement.

8. Under ORS 731.488(1), each insurer shall have an annual audit conducted by an independent certified public accountant and shall file an audited financial report annually with the Director.

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9. Under Oregon Administrative Rule ("***OAR***") 836-011-0120(1), all insurers shall have an annual audit by an independent certified public accountant and shall file an audited financial report with the Director on or before June 1 for the year ended December 31 immediately preceding.

10. Respondent violated OAR 836-011-0120(1), by filing its 2017 audited financial report with the Director on September 18, 2018, 110 days after the report was due.

11. Under ORS 731.988(1), the Director may assess a civil penalty of up to $10,000 against any person that violates a provision of the Insurance Code or any lawful rule or final order of the Director. Each violation is a separate offense.

ORDERS

Now therefore, the Director issues the following Orders:

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

13. As authorized by ORS 731.988(1), the Director hereby assesses a CIVIL PENALTY of Twenty Thousand Dollars ($20,000) for violations of OAR 836-011-0120(1).

14. The Director SUSPENDS the collection of the total $20,000 CIVIL PENALTY assessed above, so long as Respondent complies with all terms and conditions of this Consent Order and all requirements of the Oregon Insurance Code. If Respondent complies with the terms of this Consent Order and the Director has not initiated an enforcement action for new violations of the Oregon Insurance Code during the period from the effective date of this Consent Order through March 31, 2020, the Director WAIVES the collection of the suspended CIVIL PENALTY assessed herein.

15. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that

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provision, entry of this Order in no way limits or prevents further remedies, sanctions, or actions which may be available to the Director under Oregon law to enforce this Order, for violations of this Order, for conduct or actions of Respondent that are not covered by this Order, or against any party not covered by this Order.

SO ORDERED this 14th day of May, 2019.

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

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

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CONSENT TO ENTRY OF ORDER

I, Alan Finn, state that I am an officer of Pioneer Educators Health Trust ("***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.

By: /s/ Alan Finn
Signature
By: Alan Finn
Printed Name

Office Held: Chair

State of OREGON
County of Multnomah

There appeared before me this 2nd day of May, 2019, Alan Finn, 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.

/s/ Bilegee Walker
Notary Public - State of Oregon

Approved as to form:

/s/ Greg Hitchcock
Greg K. Hitchcock, OSB No. 853972
Attorney for Respondent

5/10/2019
Date

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