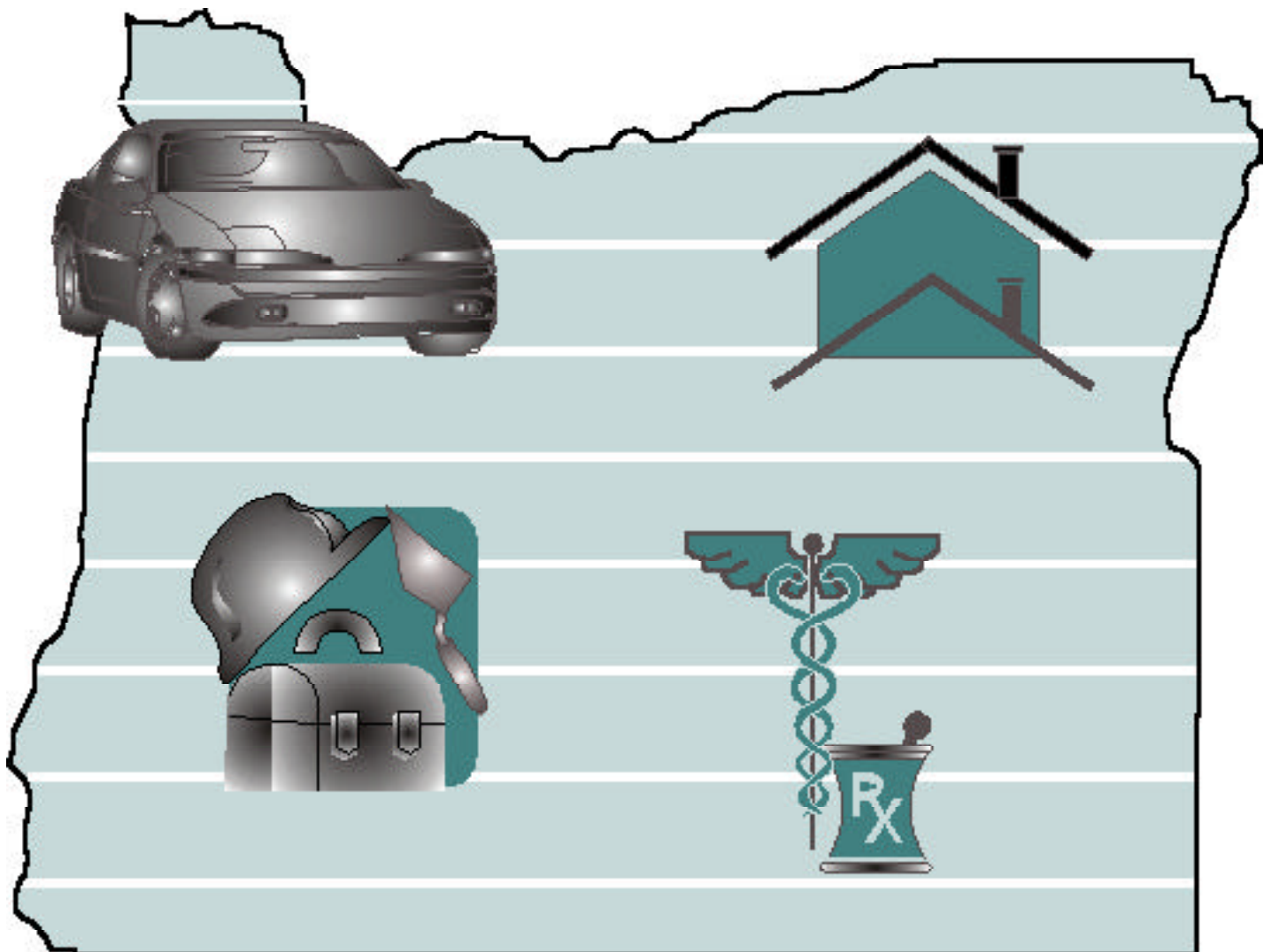


Insurance Division Annual Report 1999



Part I

Research & Analysis Section
Oregon Department of Consumer
& Business Services



March 2001

Insurance Division Annual Report Calendar Year 1999 Part I

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March 2001

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Introduction

The *Insurance Division Annual Report 1999* is published in two parts:

Part I

Part I includes information about the Insurance Division's mission, organization, revenue and expenditures. It also includes summaries of insurance-related legislation passed by the 1999 Oregon Legislature and summaries of the financial results of all insurance companies, for each line of insurance.

Part II

Part II includes financial results for property and casualty and life insurance companies by insurer and by line of insurance.

To request a printed copy of Part I or Part II, call (503) 378-8254.

Both Part I and Part II also are available on the Internet at: www.cbs.state.or.us/external/imd/cbs_ins.html

1999 Legislative Highlights

Introduction

The 1999 Oregon Legislature passed a variety of laws relating to insurance. Unlike the 1997 session, when health insurance reform was a major focus, there was no common theme for insurance legislation in 1999.

Insurance-related legislation is summarized below. Laws enacted in the 1999 session are cited by their bill numbers as well as their 1999 Oregon Laws chapter numbers, if known. Unless otherwise specified, the effective date of a bill is Oct. 23, 1999. A bill also may have one or more operative dates that apply to one or more sections of the bill, in addition to its effective date. An operative date is the date on which the affected section or sections first apply.

Regulation of Insurance Generally

SB 145 (ch. 362)

Merger, conversion of insurers and health care service contractors

SB 145 deals generally with merger and conversion of corporations and other business organizations. Of particular interest for insurance, however, the bill amends portions of the Insurance Code governing insurance holding companies to specifically authorize a domestic insurer (whether stock, mutual or reciprocal) to merge with a for-profit health care service contractor and to allow a domestic for-profit health care service contractor to merge with an insurer.

Effective date: June 28, 1999.

Operative date for sections governing insurance holding companies: June 30, 1999.

Operative date for remainder of bill: January 1, 2000.

SB 281 (ch. 364)

Confidentiality of insurer examination workpapers

SB 281 further restricts public disclosure of work papers and other documents obtained by the Insurance Division during its examination of an insurer. Under prior law, such records were exempt from public disclosure until the Director of the Department of Consumer and Business Services issued the final examination report. The amendments provide that the workpapers and other documents continue to be exempt after the examination report is issued. This change is similar to disclosure exemptions that currently apply to insurance-related complaints and investigations under the Insurance Code. The Director is authorized to disclose work papers and other documents if the Director determines that disclosure is necessary to protect the public interest.

SB 842 (ch. 485) - Licensing car rental companies as insurance agents

SB 842 adds new provisions to the Insurance Code that require the Director of the Department of Consumer and Business Services to issue a limited license to car rental companies in order to enable them to offer and sell, in connection with the

rental of cars to the public, personal accident insurance; liability insurance for the rental period; personal effects coverage; and roadside aid insurance. The bill establishes requirements for disclosure of information to car renters. The bill also requires licensed car rental companies to provide training and continuing education to employees who transact insurance, and to keep records of both.

SB 1210 (ch. 633)

Cooperation with law enforcement and other governmental agencies

SB 1210 requires insurers to cooperate with law enforcement agencies and other state or federal agencies investigating or prosecuting suspected criminal conduct involving insurance, and to provide information requested by any such agency unless the information is privileged. "Insurer" for purposes of this legislation is defined to include, but not be limited to, insurance companies, insurance agents and legal entities that self-insure their workers' compensation risks or self-insure and provide insurance services to their employees. The bill requires an insurer to notify an agency if the insurer has reason to believe that criminal conduct involving insurance is occurring. A person who discloses or provides information as provided in this bill is immune from civil liability that might otherwise apply for disclosing the information, unless actual malice is shown. If an insurer or agency does not provide information as required and if the suspected criminal conduct results in a conviction, the insurer or agent is ineligible for compensation to which the insurer or agent would otherwise be eligible through restitution by law.

Life and Health Insurance

SB 16 (ch. 749)

Eye care services

SB 16 adds a new provision to the Insurance Code requiring a health benefit plan that includes eye care services to allow an insured person to receive emergency eye care services without first having to obtain a referral from a primary care provider. The bill also establishes other requirements and restrictions on eye care services. Eye care services are an optional health insurance coverage. This change removes a possible procedural delay and brings this coverage into line with statutory requirements for coverage of emergency medical services generally.

SB 210 - Conformance of state health insurance laws with federal law

SB 210 conforms health insurance statutes to federal laws and makes other related revisions. The federal laws govern portability of health insurance coverage and require health policies to cover breast reconstruction following a mastectomy. The federal portability laws were enacted to ensure that people who leave a job will not lose health coverage and will not be disadvantaged in their new coverage under their new

employment. The federal legislation also guarantees availability of health insurance for small employers. Enactment of this legislation will ensure that health insurance will continue to be regulated at the state level, consistent with applicable federal law.

SB 414 (ch. 547)

Functions of Insurance Pool Governing Board

SB 414 eliminates the Insurance Pool Governing Board's responsibility for developing a program under which the board makes low cost health benefit plans available to small employers. The bill instead requires the board to encourage increased health insurance coverage among small employers by providing information, benefit and premium comparisons and technical assistance relating to coverage, and to otherwise furnish information about other resources for obtaining health care and assistance for making use of the resources.

Operative date: July 1, 2000.

SB 516 (ch. 754)

Oregon Medical Insurance Pool Coverage; Medicare

SB 516 enables a person who is enrolled in the Oregon Medical Insurance Pool (OMIP) for a period specified by the OMIP board to continue that coverage as secondary after the person becomes eligible for Medicare. (OMIP provides health insurance coverage for individuals who are at high health risk and are unable to obtain coverage elsewhere.)

SB 562 (ch. 271)

Independent practice associations

SB 562 fixes an error in 1997 legislation that requires independent practice associations (IPAs), in addition to insurance companies, to reimburse health care providers retroactively for covered treatment or services. The requirement as to IPAs is incorrect because IPAs do not reimburse providers and do not hold funds for that purpose. Rather, an IPA is an intermediary for providers, engaging in negotiation with insurers on behalf of the providers.

Effective date: June 16, 1999.

SB 565 (ch. 502)

Community colleges; eligibility to self-insure health insurance

SB 565 exempts community college districts and community college service districts from application of the Insurance Code when such districts individually or jointly insure the health insurance coverage of their employees, retired employees or their dependents, or students, or some combination thereof, according to specified conditions. Community colleges will thus be able to establish a self-insurance program under requirements currently applicable to cities, counties, school districts and other types of districts.

SB 588 (ch. 429)

Women's health examinations

SB 588 amends ORS 743.727, which requires that health

insurance policies cover the expenses of mammograms, and ORS 743.728, which requires that health insurance policies cover the expenses of pap smears and pelvic examinations. The bill establishes the permitted frequency of covered examinations in statute. Currently, their frequency is established by the Director of the Department of Consumer and Business Services. For mammograms, the amendments also prohibit an insurance policy from limiting coverage to the statutory schedule if the woman is determined by her health care provider to be at high risk for breast cancer.

Effective date: July 1, 1999

SB 1291 (ch. 634)

Eligibility criteria for Family Health Insurance Assistance Program

SB 1291 amends statutes governing the Family Health Insurance Assistance Program (ORS 653.800 et seq.) to modify eligibility for the program. The requirement that an eligible individual must enroll in a group health benefit plan if the coverage is available to the individual through employment is mitigated by provisions authorizing the Insurance Pool Governing Board to implement criteria that make enrollment in an individual health benefit plan more advantageous for an eligible individual.

SB 1331

Benefits for chemical dependency, mental and nervous conditions

SB 1331 increases by 25 percent the current dollar benefit limitations for coverage in group health insurance policies for mental and nervous conditions and chemical dependency.

HB 2080

Long-term care tax credit

HB 2080 adds a new provision to the tax code that allows a tax credit to taxpayers for premium costs actually paid or incurred during the tax year for a long-term care insurance policy. Corporations that offer long-term care insurance to their employees employed in Oregon are eligible for the credit, as are individuals who pay premium on long-term care coverage. Availability of the credit is limited to policies issued on and after January 1, 2000.

HB 2581 (ch. 428)

Coverage of pregnancy and maternity services

HB 2581 requires health insurance policies to cover costs of pregnancy and childbirth care. The bill defines pregnancy care and specifies that the benefits are to be extended to enrollees, enrolled spouses and enrolled dependents.

HB 3529

Coverage of services by women's health care provider

HB 3529 provides that when a female enrollee in a health insurance policy has chosen a primary care provider who is not a gynecologist or obstetrician, the policy must allow the female enrollee to go directly to an obstetrician or gynecologist for medically necessary follow-up visits resulting from a preventive

women's health care examination. This kind of examination includes, but is not limited to, mammograms, pelvic examinations and pap smears. The female enrollee will no longer have to obtain a referral from the primary care provider.

Workers' Compensation Insurance

SB 280 (ch. 235)

Workers' compensation insurance; rating organizations; statistical agent

SB 280 amends ORS 737.355 to authorize the Director of DCBS to license one or more rating organizations for workers' compensation insurance, but not necessarily all rating organizations that have applied for a license, according to a selection process established by the Director. The bill also amends ORS 737.225 to restrict the number of workers' compensation statistical agents to one. ORS 737.355 as amended also requires each workers' compensation rating organization to exchange data with other licensed workers' compensation rating organizations.

Effective date: June 9, 1999.

SB 592 (ch. 409)

Workers' compensation insurance; premium assessments

SB 592 requires the Director of DCBS to use rulemaking to establish workers' compensation premium assessments.

HB 2021

Workers' compensation insurance; advertising dividends

HB 2021 amends provisions of the workers' compensation law relating to payments to the attending physician of an injured worker. Of interest to insurers and agents is a provision that prohibits insurers and agents transacting workers' compensation insurance from quoting projected net insurance premiums based upon figures that are discretionary or terms that are not guaranteed in the workers' compensation insurance policy.

HB 3055

Workers' compensation; premium audit billing; appeal rights

HB 3055 relates primarily to workers' compensation claims, but the bill also amends a section in the Insurance Code to require workers' compensation insurers to include notification of appeal rights and requirements in their final premium audit billings.

Motor Vehicle Liability Insurance

SB 504 (ch. 790)

Attorney fees for car coverages

SB 504 amends ORS 742.061, which generally provides for recovery of attorney fees from an insurer in the event that settlement is not made within six months from the date proof of loss is filed with the insurer, an action is brought against the insurer and the plaintiff's recovery exceeds the amount of any tender made by the insurer. The amendments exempt actions to recover personal injury protection (PIP) benefits and actions

to recover uninsured motorist (UM) benefits or underinsured motorist (UIM) benefits when the insurer is able to show that settlement negotiations have progressed substantially. Actions for PIP benefits are exempt if the insurer, in writing and not later than six months from the date that proof of loss is filed with the insurer, has accepted coverage and the only issue is the amount of benefits due the insured, and the insurer has consented to submit the case to binding arbitration. Actions for UM or UIM benefits are exempt if the insurer, in writing and not later than six months from the date that proof of loss is filed with the insurer, has accepted coverage and the only issues are the liability of the uninsured or underinsured motorist and the damages due the insured, and the insurer has consented to submit the case to binding arbitration.

HB 2608 (ch. 434)

Motor vehicle insurance; personal injury benefits

HB 2608 clarifies statutes governing personal injury protection (PIP) benefits to provide that PIP benefits under a motor vehicle liability insurance policy are not available with respect to a vehicle if the vehicle is owned or furnished or available for regular use by any of the insured persons and is not described in the policy.

HB 2740 (ch. 438)

Motor vehicle insurance, personal injury protection coverage

HB 2740 provides that a person who lends or rents a motor vehicle to another person is not liable for injury, death or damage arising from the use of the vehicle by the other person, when the vehicle lender is engaged in the business of selling, renting, leasing or repairing motor vehicles and the vehicle lender provides the vehicle to another person in the course of the lender's business and pursuant to a written agreement. Also, unless the written agreement provides otherwise, the insurance of the person borrowing or renting the car is primary and the insurance of the person providing the motor vehicle is secondary or excess. ORS 742.450, relating to required contents of motor vehicle liability insurance policies, is amended to require that such a policy include liability coverage for the named insured's operation of a motor vehicle provided by a person engaged in the business of repairing or servicing motor vehicles, when the motor vehicle is a temporary replacement while the named insured's vehicle is being repaired or serviced. The coverage must be up to the limits of coverage for a vehicle owned by the named insured.

Other Casualty Insurance

SB 359 (ch. 440)

Disclosure of insurance coverage, rental aircraft

SB 359 repeals ORS 837.135, relating to aircraft operations, which requires that a person who rents an airplane to another person in the ordinary course of business must inform the renter whether insurance coverage is provided and, if coverage is provided, must describe the nature of the coverage.

SB 436 (ch. 183)

Title plants, title insurance

SB 436 amends current statutory title plant requirements (ORS 731.438) to require a title insurer, in order to qualify for and hold a certificate of authority to transact title insurance, to own and maintain a title plan covering a minimum period of 50 years, with exceptions. Specific requirements for exclusive ownership and maintenance of title plants in the Portland metropolitan area are deleted. Requirements for ownership and maintenance of title plants in other areas of the state are amended to define and allow maintenance on an exclusive or joint basis. The bill requires a title insurer, as another means of transacting title insurance in an additional county, to obtain underlying title insurance from a person who possesses a qualified title plant for the additional county.

Effective date: January 1, 2000

SB 787 (ch. 482)

Large construction project, wrap-up insurance policies

SB 787 amends legislation authorizing insurers to issue “wrap-up” casualty insurance coverage, which is sold in connection with large construction projects (defined in the bill as exceeding \$90 million). Such a policy insures a construction project sponsor and all other contractors on the project. The bill prohibits a project sponsor from charging the prime contractor for wrap-up coverage and prohibits the prime contractor from charging subcontractors for it. The bill regulates the premium that a project sponsor may charge the prime contractor. The bill establishes financial protections for small contractors (and their insurance agents) involved in large construction projects.

SB 1205 (ch. 783)

Construction of general liability insurance policies involving environmental claims

SB 1205 establishes rules of construction for interpretation of general liability insurance policies involving environmental claims affecting Oregon sites, in connection with any action to determine the existence of coverage for the costs of investigating and remediating environmental contamination. The bill applies Oregon law when the contaminated property is located within Oregon. The bill’s rules of construction do not apply if they are contrary to the intent of the parties to a general liability insurance policy, so the bill is intended to cover situations with respect to which a policy is silent or unclear. The scope of suits to which this bill applies, as “suits” is defined in the bill, includes formal judicial proceedings, administrative proceedings and “actions taken under administrative oversight of the Department of Environmental Quality or the United States Environmental Protection Agency pursuant to written voluntary agreements, consent decrees and consent orders.” The bill prohibits denial of insurance coverage for fees, costs and expenses incurred by an insured pursuant to a written voluntary agreement with the DEQ or EPA on the ground that the expenses constitute voluntary payments by the insured.

Effective date: July 19, 1999

HB 3048

Insurance disclosure, self storage facilities

HB 3048 requires the rental agreement for storage of a person’s personal property at a self-storage facility to state whether the property is protected by insurance held by the facility owner. If the personal property is not protected by insurance, the rental agreement must say so. Failure to include either a provision describing the insurance or a provision stating that the personal property is not insured is declared to be an unlawful practice for purpose of a private right of action or prosecution by the Attorney General.

Related Legislation

HB 2417

Denial of noneconomic damages if driver is intoxicated or is driving without insurance

HB 2417 bars a plaintiff from recovering noneconomic damages in an action for injury or death arising from operation of motor vehicle if plaintiff was intoxicated or driving uninsured at the time of the event causing the injury or death. The limitation on the ability of an uninsured plaintiff to recover does not apply if the plaintiff was insured within 180 days before the event and the plaintiff has not operated a motor vehicle uninsured within the one-year period preceding the date on which motor vehicle liability coverage lapsed.

HB 2525

Hearings officer panel

HB 2525 establishes a pilot program for a centralized hearing panel within the Oregon Employment Department. Several state agencies, including the Insurance Division, must use hearings officers assigned from the panel to conduct contested case hearings. The bill transfers the Insurance Division’s hearing staff and contested cases to the Employment Department, which will administer and conduct the contested cases on and after January 1, 2000.

Effective date: August 1, 1999

Operative date: January 1, 2000

HB 2554 (ch. 771)

Civil liability of health practitioner who provides unpaid health care services

HB 2554 limits the civil liability of health practitioners when they provide health care services without compensation, for injury, death or other loss arising from the health services unless an injury, death or loss results from a health practitioner’s gross negligence. This limited immunity is available to health practitioners who are registered with the appropriate health professional regulatory board and who provide services without compensation. The limitation on liability is available only if the patient receiving the services (or an authorized person on behalf of the patient) signs a notice that the services are provided without compensation and that liability of the health practitioner is limited. Also, the health practitioner must obtain the patient’s informed consent for the services.

HB 2718

Dental liability coverage for retired dentists

HB 2718 requires the Department of Administrative Services to establish a program for purchasing and maintaining liability insurance for retired dentists who provide dental services through nonprofit corporations to low income persons. The insurance under the program is required to be acquired through contracts with liability insurers authorized to offer liability malpractice insurance in Oregon.

HB 3245 (ch. 810)

Civil actions relating to computer date failure (Y2K)

HB 3245 establishes rules for civil actions arising from computer

date failures owing to the inability of a computer product or service to properly process calendar dates 1999 or subsequent years or owing to incompatibility between a computer product or service and another product, service or data with respect to the processing of such dates. The bill requires a complaint for damages caused by a computer date failure to allege a specific material defect; establishes a statute of limitation and ultimate repose for such actions; requires a claimant to give notice and opportunity to cure; and establishes affirmative defenses for civil liability for damages.

Effective date: July 20, 1999.

Insurance Division Organization

Mission

The mission of the Insurance Division is to administer the Insurance Code for the protection of the insurance-buying public while promoting a positive business climate.

We ensure the financial soundness of insurers, the availability and affordability of insurance, and the fair treatment of consumers by:

- Licensing insurance companies and monitoring their solvency.
- Reviewing insurance products and premium rates for compliance.
- Licensing insurance agents and consultants.
- Resolving consumer complaints.
- Investigating and penalizing companies and agents for violations of insurance law.
- Monitoring the marketplace conduct of insurers and agents.
- Educating the public about insurance issues.
- Advocating reforms that protect the insurance buying public.

Administrative Services & Operations Section

The Administrative Services & Operations Section receives and reviews applications and appointments for agents, firms, and corporations licensed to sell insurance in Oregon. The section establishes licensing requirements for insurance agents, oversees the development and administration of licensing examinations, and processes continuing education course registrations.

Administrative Services & Operations also provides budget, personnel and computer support to the Insurance Division, and develops legislation and administrative rules.

Company Regulation Section

The Company Regulation Section is responsible for all financial and corporate oversight of insurers transacting business in Oregon. This includes licensing insurers as well as ongoing financial analysis and examination. The unit collects and audits approximately \$60 million in insurance taxes.

In cases of insolvency of an insurance company, Company Regulation is responsible for rehabilitation and liquidation efforts. Security deposits by insurers are also supervised and monitored. Lastly, surplus lines, risk retention and purchasing group filings are maintained by section staff.

Consumer Protection Section

The Consumer Protection Section resolves consumer complaints, investigates and penalizes companies and agents for violations of insurance law, conducts market conduct examinations of insurers, provides voluntary mediation services, and develops educational materials and brochures for consumers.

The Senior Health Insurance Benefits Assistance (SHIBA) program trains volunteers who provide one-on-one counseling assistance to Medicare beneficiaries.

Rates & Forms Section

The Rates & Forms Section receives more than 34,000 insurance policy forms each year. The section reviews each filing carefully to be certain it complies with Oregon insurance laws and that consumers pay fair and non-discriminatory rates for insurance products. In addition, actuarial and reserving information is reviewed and in some cases advertising, marketing, and marketing practices are reviewed.

Insurance Division revenue and
expenditures for fiscal year 1999

Revenue - other funds		
Other business licenses & fees	\$4,963,043	
Other charges for service	908,181	
Interest income	801	
Cash/investment income	238,008	
Excess fund interest	105,058	
Gain (loss) sale of investment	0	
Federal revenue (SHIBA)	180,946	
Other sales income	8,000	
Donations & grants	0	
Other revenue	241,213	
Fire Marshal fees	4,589,874	
To Bureau of Public Safety Standards & Training	0	
To state police	(4,624,183)	
Intrafund transfers in	400,115	
Intrafund transfers out	<u>(1,221,905)</u>	
Total - other fund revenue		\$5,789,151
Revenue - general fund		
Insurance taxes		
Premium tax risk retention	5,288,816	
Gross Premium Tax	(10,409,741)	
Ocean Marine Underwriting	45,375	
Retaliatory Taxes	48,881,004	
Surplus Line Premium Tax	1,064,631	
Excess Fund Interest	390,090	
Fines & forfeitures	354,608	
Interest income	56,187	
Other revenue	973	
To State General Fund	<u>(45,671,943)</u>	
Total - general fund revenue		<u>0</u>
Total revenue		<u>\$5,789,151</u>
Expenditures		
Personal services and services & supplies	6,007,960	
Capital outlay	<u>(17,137)</u>	
Total expenditures		<u>\$5,990,823</u>

Company changes
New authorizations, January 1999 - December 1999

Date	Name	Location
01/27/99	First Colonial Insurance Company	Jacksonville, FL
01/27/99	Northern Mutual Insurance Company	Minneapolis, MN
01/28/99	Pacificare Life Assurance Company	Costa Mesa, CA
02/02/99	Free Methodist Foundation (The)	Spring Arbor, MI
02/05/99	Berkshire Hathaway Life Insurance Company of Nebraska	Omaha, NE
02/05/99	Healthcare Underwriters Mutual Insurance Company	Latham, NY
02/11/99	Kemper Auto and Home Insurance Company	Long Grove, IL
02/11/99	TIAA-CREFF Life Insurance Company	New York, NY
02/16/99	Reliance Direct Insurance Company	Norristown, PA
02/24/99	Gray Insurance Company	Metairie, LA
02/24/99	Kemper Independence Insurance Company	Long Grove, IL
02/25/99	MGIC Assurance Corporation	Milwaukee, WI
02/25/99	MGIC Credit Assurance Corporation	Milwaukee, WI
02/25/99	Progressive Max Insurance Company	Mayfield Village, OH
03/05/99	Front Royal Insurance Company	Columbus, OH
03/11/99	Western Community Insurance Company	Pocatello, ID
03/16/99	Continental Western Casualty Company	Urbandale, IA
03/16/99	Northwest Baptist Foundation	Vancouver, WA
03/22/99	Colorado Casualty Insurance Company	Englewood, CO
03/23/99	Brotherhood Mutual Insurance Company	Fort Wayne, IN
03/26/99	Old Republic Home Protection Company	San Ramon, CA
03/29/99	Frankenmuth Mutual Insurance Company	Frankenmuth, MI
03/30/99	Chubb National Insurance Company	Indianapolis, IN
04/02/99	Avomark Insurance Company	Indianapolis, IN
04/02/99	White Mountains Insurance Company	Manchester, NH
04/05/99	American Contractors Indemnity Company	Los Angeles, CA
05/28/99	Portland Community College Foundation, Inc.	Portland, OR
06/01/99	National Benevolent Associations of the Christian Church (Disciples of Christ)	St. Louis, MO
06/16/99	Kaiser Permanente Health Alternatives	Portland, OR
06/17/99	Farm Bureau Life Insurance Company	West Des Moines, IA
07/12/99	Crisis Pregnancy Centers of the Portland Metro Area	Portland, OR
07/15/99	The Trustees of Princeton University	Princeton, NJ
07/16/99	Landcar Casualty Company	Sandy, UT
08/03/99	Hudson Insurance Company	Wilmington, DE
08/04/99	Legacy Health System	Portland, OR
08/04/99	Secura Insurance, A Mutual Company	Appleton, WI
08/13/99	Mt. Hood Community College District Foundations, Inc.	Gresham, OR
08/20/99	Starnet Insurance Company	Wilmington, DE
08/30/99	Casualty Reciprocal Exchange	Kansas City, MO
09/08/99	Gateway Insurance Company	St. Louis, MO
09/09/99	American Equity Specialty Insurance Company	Costa Mesa, CA
09/13/99	Great Midwest Insurance Company	Houston, TX
10/08/99	Luis Palau Evangelistic Association	Beaverton, OR
10/08/99	ODSHP Acquisition Sub, Inc.	Portland, OR
10/18/99	Reliant Insurance Company	Troy, MI
10/25/99	Core Insurance Company	Colchester, VT
11/03/99	Oregon Public Broadcasting	Portland, OR
11/06/99	Professionals Advocate Insurance Company	Hunt Valley, MD
11/08/99	Homesite Insurance Company of the Midwest	Mandan, ND
11/19/99	First American Home Buyers Protection Corporation	Van Nuys, CA
12/01/99	Pharmacists Mutual Insurance Company	Algona, IA
12/07/99	Pharmacists Life Insurance Company (The)	Algona, IA
12/07/99	Underwriters Indemnity Company	Houston, TX
12/31/99	Willamette Dental Insurance, Inc.	Beaverton, OR

Company changes
Terminated, January 1999 - December 1999

Company	Date	Reason	(as of 12/31/99)	
			Assets	Liabilities
Cedar Hill Assurance Company	03/08/99	suspended	\$41,290,308	\$37,975,591
Surecare Healthplans, Inc.	04/28/99	suspended	\$748,591	\$307,000
First National Life Insurance Company of America	06/14/99	suspended	NA	NA
International Financial Services Life Insurance	06/14/99	suspended	NA	NA

NA = Not available

Company changes
Name changes, January 1999 - December 1999

Date	Old name	New name
01/01/99	Employers First Insurance Company	Fremont Employers Insurance Company
01/01/99	Florists' Life Insurance Company	Financial American Life Insurance Company
01/01/99	Industrial Indemnity Company	Fremont Industrial Indemnity Company
01/01/99	Life Insurance Company of Virginia (The)	GE Life and Annuity Assurance Company
01/01/99	Nordstern Insurance Company of America	AXA Nordstern Art Insurance Corporation
01/01/99	Unicare Workers' Compensation Insurance Company	Fremont Compensation Insurance Company
01/02/99	TIG Countrywide Insurance Company	Nationwide Insurance Company of America
01/06/99	Utah Home Fire Insurance Company	Wasatch Crest Insurance Company
01/19/99	Sun Insurance Office of America, Inc.	Royal & SunAlliance Personal Insurance Co
01/26/99	Industrial Indemnity Company of the Northwest	Fremont Indemnity Company of the Northwest
02/01/99	Guidant America Insurance Company	GuideOne America Insurance Company
02/01/99	Guidant Casualty Insurance Company	GuideOne Casualty Insurance Company
02/01/99	Guidant Elite Insurance Company	GuideOne Elite Insurance Company
02/01/99	Guidant Life Insurance Company	GuideOne Life Insurance Company
02/01/99	Guidant Mutual Insurance Company	GuideOne Mutual Insurance Company
02/01/99	Guidant Specialty Mutual Insurance Company	GuideOne Specialty Mutual Insurance Company
02/03/99	Kemper Reinsurance Company	GE Reinsurance Corporation
02/22/99	Arcadia General Insurance Company	American Horizon Insurance Company
02/22/99	Automobile Club Insurance Company	American Commerce Insurance Company
02/24/99	Seaboard Life Insurance Company (USA)	Centris Life Insurance Company
02/24/99	Vasa North Atlantic Insurance Company	Centris Insurance Company
03/01/99	American Foundation Life Insurance Company	Protective Life and Annuity Insurance Company
03/01/99	Winterthur Reinsurance Corporation of America	PartnerRe Insurance Company of New York
03/03/99	Lincoln Memorial Life Insurance Company	New Life Insurance Company
03/03/99	PM Group Life Insurance Company	Pacific Life & Annuity Company
03/04/99	World Service Life Insurance Company of America	Lincoln Memorial Life Insurance Company
04/01/99	Trans-General Casualty Insurance Company, Inc.	Highmark Casualty Insurance Company
04/01/99	Trans-General Life Insurance Company	Highmark Life Insurance Company
04/02/99	Winterthur Life Re Insurance Company	PartnerRe Life Insurance Company of the U.S.
04/09/99	X.L. Insurance Company of America, Inc.	XL Insurance Company of New York, Inc.
04/15/99	The Mercantile and General Life Reassurance Co of America	Sun Life of Canada Reinsurance Company (U.S.)
04/16/99	Northbrook National Insurance Company	Discover Property & Casualty Insurance Company
04/21/99	The Millers Mutual Fire Insurance Company	The Millers Insurance Company
04/30/99	Colonial Insurance Company of Wisconsin	Nationwide Assurance Company
05/21/99	Constitution Reinsurance Corporation	Gerling Global Reinsurance Corp of America
06/09/99	Commonwealth Mortgage Assurance Company	Radian Guaranty Inc.
06/15/99	Mutual Assurance, Inc.	The Medical Assurance Company, Inc.
07/01/99	Allendale Mutual Insurance Company	Factory Mutual Insurance Company
07/01/99	European Reinsurance Corporation of America	North American Elite Insurance Company
07/01/99	Physicians Insurance Exchange	Physicians Insurance A Mutual Company
07/08/99	Heart of America Fire and Casualty Company	Kemper Employers Insurance Company
07/08/99	Reliance Insurance Company of California	Reliance Universal Insurance Company
07/09/99	Unigard Security Insurance Company	Seaton Insurance Company

Company changes (continued)
Name changes, January 1999 - December 1999

Date	Old name	New name
07/16/99	Valley National Insurance Company	Waterford Insurance Company
07/23/99	EBPLife Insurance Company	GenAm Benefits Insurance Company
07/29/99	Vencor Insurance Company	Great Lakes Life & Health Insurance Company
07/30/99	Anthem Health & Life Insurance Company	Alta Health & Life Insurance Company
08/02/99	Massachusetts Casualty Insurance Company	Centre Life Insurance Company
08/09/99	Caledonian Insurance Company of America	USAgencies Direct Insurance Company
08/15/99	Arcadia National Life Insurance Company	Reliance Life Insurance Company
08/23/99	Guaranty National Insurance Company of California	Guaranty National Insurance Co of Connecticut
08/25/99	Gan National Insurance Company	Rampart Insurance Company
08/25/99	General Accident Insurance Company of America	CGU Insurance Company
08/25/99	Pennsylvania General Insurance Company	General Accident Insurance Company
08/31/99	Calvert Insurance Company	Specialty National Insurance Company
09/02/99	Bay Colony Insurance Company	GE Auto & Home Assurance Company
09/10/99	Gan North America Insurance Company	Western Continental Insurance Company
09/10/99	John Hancock Property and Casualty Insurance Company	AXA Re Property and Casualty Insurance Co
09/20/99	Midland Risk Insurance Company	Progressive Home Insurance Company
09/30/99	John Deere Insurance Company	Sentry Select insurance Company
10/01/99	Federated Rural Electric Insurance Corporation	Federated Rural Electric Insurance Exchange
10/01/99	Household Insurance Company	Kemper Casualty Insurance Company
10/01/99	Royal Maccabees Life Insurance Company	Reassure America Life Insurance Company
10/14/99	Commercial Union Life Insurance Company of America	CGU Life Insurance Company of America
10/19/99	ODSHP Acquisition Sub, Inc.	ODS Health Plan, Inc.
10/22/99	Crisis Pregnancy Centers of the Portland Metro Area	Crisis Pregnancy Centers of the Portland Metro Area dba Pregnancy Resource Centers of Greater Portland
10/22/99	The Camden Fire Insurance Association	CGU Insurance Company of New Jersey
10/27/99	TIG Reinsurance Company	Odyssey America Reinsurance Corporation
11/01/99	Cigna Fire Underwriters Insurance Company	ACE Fire Underwriters Insurance Company
11/01/99	Cigna Indemnity Insurance Company	ACE Indemnity Insurance Company
11/01/99	Cigna Insurance Company	ACE American Insurance Company
11/01/99	Cigna Property and Casualty Insurance Company	ACE Property and Casualty Insurance Company
11/01/99	Cigna Reinsurance Company	ACE American Reinsurance Company
11/01/99	White Mountains Insurance Company	Mountain Valley Indemnity Company
11/30/99	Hansa Reinsurance Company of America	Suecia Insurance Company
11/30/99	Life of Boston Insurance Company	Lincoln Heritage Life Insurance Company
12/01/99	The Security Mutual Life Insurance Co of Lincon, Neb	Security Financial Life Insurance Co.
12/01/99	TMG Life Insurance Company	Clarica Life Insurance Company-U.S.
12/07/99	Independent Fire Insurance Company	State National Specialty Insurance Company
12/15/99	Cologne Life Reinsurance Company	General and Cologne Life Re of America
12/22/99	Alpine Life Insurance Company	Hart Life Insurance Company
12/22/99	Royal Life Insurance Company of America	Servus Life Insurance Company
12/28/99	Centris Life Insurance Company	HCC Life Insurance Company
12/30/99	Investors Equity Insurance Company, Inc.	CMG Mortgage Assurance Company
12/31/99	Mutual Trust Life Insurance Company	MTL Insurance Company

Company changes
Other changes, January 1999 - December 1999

Date	Name	Date	Name
Mergers			
01/01/99	Continental Life and Accident Company	09/01/99	Employers Life Insurance Company of Wausau
01/01/99	Great Northern Insured Annuity Corporation	09/30/99	Lincoln American Life Insurance Company
01/01/99	Harvest Life Insurance Company (The)	09/30/99	Reassure America Life Insurance Company
01/01/99	National Group Life Insurance Company	11/01/99	CalAmerica Life Insurance Company
01/01/99	PHF Life Insurance Company	11/19/99	Revelation Life Insurance Company
04/01/99	American Independent Life Insurance Co., dba Independent American Life Insurance Co.	11/30/99	Lincoln Heritage Life Insurance Company
07/01/99	Arkwright Mutual Insurance Company	12/30/99	Guarantee Protective Life Company
07/01/99	Lone Star Life Insurance Company	12/30/99	Westfield Life Insurance Company
07/01/99	Protection Mutual Insurance Company	12/31/99	Empire Life Insurance Company
07/11/99	Western Farm Bureau Life Insurance Company	12/31/99	First Excess and Reinsurance Corporation
07/30/99	Forum Insurance Company	12/31/99	Fremont American Insurance Company
07/30/99	Montgomery Ward Life Insurance Company	12/31/99	Willamette Health Services, Inc.
07/30/99	The Signature Life Insurance Company of America		
Redomestications			
01/01/99	TIG Countrywide Insurance Company	09/30/99	Royal Maccabees Life Insurance Company
01/01/99	Travelers Home and Marine Insurance Company	10/01/99	Federated Rural Electric Insurance Corporation
02/22/99	Wabash Life Insurance Company	10/01/99	Pennsylvania Casualty Company
04/09/99	Allnation Life Insurance Company	11/30/99	Shelby Casualty Insurance Company
04/14/99	Cigna Property and Casualty Insurance Company	11/30/99	Vesta Fire Insurance Corporation
05/10/99	Guaranty National Insurance Company of California	11/30/99	Vesta Insurance Corporation
05/21/99	Ebplife Insurance Company	12/15/99	Sunset Life Insurance Company of America
06/03/99	Viking Insurance Company of Wisconsin	12/16/99	Best Life Assurance Company of California
07/08/99	Heart of America Fire and Casualty Company	12/17/99	Stonewall Insurance Company
08/15/99	Arcadia National Life Insurance Company	12/20/99	Charter National Life Insurance Company
08/18/99	Life of Boston Insurance Company	12/31/99	Peoples Benefit Life Insurance Company
09/29/99	Worldwide Insurance Company	12/31/99	Trustgard Insurance Company
Withdrawals			
02/09/99	Commonwealth National Life Insurance Company	06/23/99	Blue Ridge Insurance Company
03/08/99	Elite Insurance Company	09/14/99	Linn-Benton Community College Foundation, Inc.
03/18/99	Columbia Christian College	10/04/99	The Victory Life Insurance Company
04/15/99	Cedar Hill Assurance Company		

Explanation of Terms Used in Tables

The next several pages show the accounting results of each company for each line of insurance as categorized in the financial reporting format required. These categories do not provide information about some specific insurance coverages (such as products liability) or classes of insureds (such as houses less than five years old). These figures are accounting data intended for use in evaluating the financial condition of

each company. Comparing premiums and losses in this form provides only a rough indication of how appropriately priced each line of business may be for all companies combined. The results reported for a single line, company, and year are subject to considerable variation as well as artificial mechanics of accounting procedures.

“Direct” is the term used to describe insurance transactions between the insurance buyer and the insurance company before or without regard to reinsurance transactions among insurance companies.

“Premium written” is usually defined as premium billed by property and casualty companies. Rules of life insurance accounting require reporting premiums actually collected. This item is a measure of marketing activity in this state for the year.

“Premium earned” is constructed from premium written this year and in previous years, and in some instances, premium to be written in the future for current coverages. It is approximately the pro rata portion of the premium charged for each policy, for the portion of coverage provided, within the calendar year.

“Unearned premium reserves” are premiums written for future coverage. This might also be understood as the amount an insurer would have to return to policyholders if it canceled all policies in force. This amount of revenue is deferred from earnings to achieve a proper matching with losses and expenses incurred.

“Losses paid” is the sum of all payments made during the year to, or for, the benefit of insurance claimants. These payments include amounts paid in the current year for claims arising from coverage in prior years, and exclude amounts which will be paid in future years for claims arising from the current year. Hence, this item is not a measure of the actual cost of current coverages, but only of current cash flows.

“Losses incurred” equals losses paid, plus a year-end estimate of future payments for all current and prior year claims, minus the losses incurred estimate for the preceding year. If these estimates were to be exactly correct, then losses incurred would be the actual cost of all claims on coverage provided during the current year. However, incurred losses reported also includes estimated amounts unpaid for incurred-but-not-reported (IBNR) claims.

“Losses unpaid” is the insurer’s estimate of amounts to be paid in the future for coverage provided in the current or prior years. This includes claims which might not yet have been reported and claims which have not yet been resolved.

“Dividends paid” is the amount paid to policyholders under participating agreements. These dividends are paid to policyholders after coverage for which they have paid premiums has expired. The premiums for which dividends have been paid in the current year are almost entirely written and earned one to two calendar years before. Hence, dividends paid in 1999 are not strictly comparable to 1999 premiums. Dividends paid to company stockholders are not included.

“Annuity considerations” are revenue received for annuity contracts during the latest year. This amount corresponds to premium written for insurance contracts. ‘Consideration’ is a term from contract law for payment given by one party to obligate the other to performance specified by contract.

“Insurance in force” is the total amount of coverage provided by policies that are in force at a specified moment. These are policies that have become effective and have not expired or lapsed. This construct is primarily meaningful for life insurance or other insurance where a stated amount of coverage is purchased.

“Benefits paid” is the amount paid in performance of obligations imposed by life or annuity contracts. This corresponds to ‘losses paid’ and includes amounts paid during the current year for obligations incurred in prior years, but does not include amounts insurers are obligated to pay in future years. This is a cash flow item only and not a measure of profitability or the cost of current coverages.

“Loss ratio” equals losses incurred divided by premiums earned. This is the best accounting representation of the portion of each premium dollar that has been needed to honor the company’s promise to pay claims. The figures shown are subject to many artificialities of insurance accounting, such as those explained above, as well as considerable variation between years and among companies.

**Summary of 1999 business in the state of Oregon
Property & casualty**

	Direct premium written	Direct premium earned	Dividends	Direct premium unearned	Direct losses paid	Direct losses incurred	Direct losses unpaid	Loss ratio* (DLI/DPE)
Fire	35,793,645	35,742,011	89,895	17,704,148	18,162,152	21,898,584	15,001,958	0.613
Allied lines	25,922,521	25,495,736	43,731	10,819,877	12,904,413	16,510,402	9,249,631	0.648
Crop multiple peril	8,829,628	8,829,628	0	0	18,980,414	20,732,561	2,799,032	2.348
Federal flood	9,021,508	7,864,712	0	5,258,469	3,899,112	5,326,509	1,931,389	0.677
Farmowners multiple peril	28,461,590	27,913,246	0	13,789,780	15,901,034	17,014,235	12,566,344	0.610
Homeowners multiple peril	304,825,275	299,706,779	897,954	162,572,321	182,736,813	182,885,452	86,067,688	0.610
Commercial multiple peril	143,705,946	139,542,044	13,406	71,286,528	81,987,419	88,333,683	44,482,990	0.633
Commercial liability	126,317,094	129,998,274	204,420	58,699,478	71,633,055	76,210,022	195,369,219	0.586
Mortgage	48,121,360	48,780,437	0	5,087,388	4,015,659	15,084,196	61,255,730	0.309
Ocean marine	17,551,567	17,334,309	3,901	6,035,177	14,899,845	9,623,404	8,827,048	0.555
Inland marine	75,390,313	69,777,004	99,460	38,237,019	39,522,284	41,111,583	19,798,928	0.589
Financial guaranty	5,019,361	3,550,371	0	36,741,005	-329,562	-331,446	1,085	(0.093)
Medical malpractice	39,061,044	40,200,749	515,296	32,313,128	34,827,334	24,849,256	104,704,195	0.618
Earthquake	30,469,876	28,707,349	113,449	16,051,454	95,601	10,386	395,742	0.000
Workers' compensation	492,537,979	484,189,635	223,068,870	69,304,988	357,566,460	476,810,230	2,503,512,906	0.985
Other liability	167,562,304	160,578,135	137,381	90,237,722	106,128,935	140,544,369	420,014,130	0.875
Products liability	10,648,829	10,191,425	9,873	4,518,293	11,976,226	6,289,305	36,254,927	0.617
Private passenger auto no-fault	132,169,136	132,369,646	342,151	39,126,754	94,408,873	90,377,013	46,868,004	0.683
Private passenger auto liability	762,474,014	755,312,098	2,944,372	230,302,403	502,261,688	469,685,897	535,336,667	0.622
Commercial auto no-fault	4,338,403	4,257,500	2,931	2,044,083	2,001,212	2,822,510	3,323,486	0.663
Commercial auto liability	154,284,977	151,505,721	74,280	68,387,984	93,152,117	89,508,695	156,884,076	0.591
Private passenger auto phys damage	577,277,097	567,186,264	2,307,832	177,545,874	346,835,145	344,757,039	34,528,550	0.608
Commercial auto physical damage	61,920,138	59,846,498	67,584	27,141,329	40,093,780	41,210,550	6,325,306	0.689
Aircraft	15,377,544	14,642,036	0	5,894,126	6,382,699	5,610,036	17,017,102	0.383
Fidelity	6,425,242	6,511,773	6,343	3,654,676	1,396,873	2,314,745	4,988,336	0.355
Surety	39,359,565	37,984,841	51	22,737,327	5,419,458	6,700,026	12,158,797	0.176
Burglary & theft	671,875	700,873	163	385,144	75,465	71,933	131,365	0.103
Boiler & machinery	8,564,296	8,655,379	9	3,997,453	3,716,136	2,847,703	2,270,020	0.329
Credit	4,379,993	3,619,983	0	2,750,730	1,727,282	2,342,620	1,207,856	0.647
Aggregate write-ins for other lines	<u>41,470,689</u>	<u>36,591,598</u>	<u>344</u>	<u>47,693,966</u>	<u>18,905,463</u>	<u>18,277,453</u>	<u>18,004,261</u>	<u>0.499</u>
Total (excluding A&H)	3,377,952,809	3,317,586,054	230,943,696	1,270,318,624	2,091,283,385	2,219,428,951	4,361,276,768	0.669
Accident & health total	<u>79,164,587</u>	<u>74,537,073</u>	<u>97</u>	<u>30,742,657</u>	<u>50,402,082</u>	<u>54,020,031</u>	<u>32,449,747</u>	<u>0.725</u>
Property & casualty total **	<u>\$3,457,117,396</u>	<u>\$3,392,123,127</u>	<u>\$230,943,793</u>	<u>\$1,301,061,281</u>	<u>\$2,141,685,467</u>	<u>\$2,273,448,982</u>	<u>\$4,393,726,515</u>	<u>0.670</u>

* Loss ratio equals direct losses incurred divided by direct premium earned.

** Property & casualty totals do not equal Line 32 summary totals (see Oregon state page data, Appendix) due to errors, rounding, and/or truncation on Annual Statements.

Summary of 1999 business in the state of Oregon
Life business

	Life premiums	Annuity considerations	Insurance in force ending calendar year	Direct benefits paid	A&H direct premiums written	A&H losses incurred
Life total	\$915,579,254	\$622,851,593	\$158,516,006,875	\$3,244,036,322	\$742,319,304	\$537,340,022

Summary of 1999 business in the state of Oregon
All business

	Direct premium written	Direct premium earned	Other income	Direct losses paid	Direct losses incurred	Loss ratio* (DLI/DPE)
P & C business (no A&H)	<u>\$3,377,952,809</u>	<u>\$3,317,586,054</u>	<u>--</u>	<u>\$2,091,283,385</u>	<u>\$2,219,428,951</u>	0.669
Health business						
Life companies	742,319,304	--	--	--	537,340,022	
Fraternal societies	2,312,327	2,246,930	--	1,006,384	--	
HMDIs ***	1,464,726,523	1,549,636,887	(734,272)	--	1,381,069,528	0.891
HMOs ***	2,787,259,520	2,760,055,216 ¹	3,272,335	--	2,657,949,499 ²	0.963
Property/casualty companies	79,164,587	74,537,073	--	50,402,082	54,020,031	0.725
Life business						
Life companies	915,579,254	--	--	**	-	
Fraternal societies	<u>17,487,662</u>	--	--	8,361,205	--	
Total life	<u>\$933,066,916</u>					
Annuities business						
Life companies	622,851,593	--	--	**	--	
Fraternal societies	<u>28,623,324</u>	--	--	24,313,101	--	
Total annuities	<u>\$651,474,917</u>					
Title business	<u>\$149,284,967</u>	<u>\$146,708,750</u>	<u>\$38,952,221</u>	<u>\$3,666,309</u>	<u>\$4,711,427</u>	0.032

* Loss ratio equals direct losses incurred divided by direct premium earned.

** Life business and annuities business direct losses paid by life companies totaled \$3,244,036,322.

*** Premiums include Washington business for those companies writing in both Oregon and Washington.

¹Includes premiums, fee for service, Title 18-Medicare, and Title 19-Medicaid.

²Total medical and hospital expenses.

NOTE: Dashes indicate data not available

**Hospital, medical and dental service or indemnity corporations (HMDIs)
Statement of revenue and expenses as of December 31, 1999**

	Advantage Dental Plan, Inc.	Cascade East Health Plans, Inc.	Central Oregon Independent Health Services DBA Clear Choice	FamilyCare Health Plans, Inc.	ODS Health Plan Inc.	One Health Plan of Oregon, Inc.	Oregon Dental Service	Pacific Hospital Association DBA Pacifisource Health Plans
Direct premium written¹	<u>\$6,015,298</u>	<u>\$702,476</u>	<u>\$53,357,448</u>	<u>\$-</u>	<u>\$225,137,284</u>	<u>\$6,533,596</u>	<u>\$120,406,640</u>	<u>\$124,470,052</u>
Underwriting income²								
Premium earned	\$6,000,205	\$702,476	\$51,831,776	\$-	\$224,692,203	\$6,242,617	\$120,359,630	\$123,916,954
Claims incurred	5,029,563	626,261	45,462,275	-	216,785,538	6,213,838	105,177,983	106,259,032
Provision for deferred maternity benefits								
Claim adjustment	575,450	-	2,604,234	-	9,310,327	-	5,727,205	1,611,959
Administrative	207,902	-	1,882,592	-	2,814,477	1,736,819	5,540,519	6,766,657
Soliciting	386,498	-	338,064	-	3,949,050	125,845	2,402,238	7,514,554
Reinsurance allowances	-	-	-	-	-	-	-	-
Total underwriting deductions	<u>6,199,413</u>	<u>626,261</u>	<u>50,287,165</u>	<u>-</u>	<u>232,859,392</u>	<u>8,076,502</u>	<u>118,847,945</u>	<u>122,152,202</u>
Net underwriting gain or (loss) (199,208)		76,215	1,544,611	-	(8,167,189)	(1,833,885)	1,511,685	1,764,752
Investment income²								
Net investment income earned	49,105	24,804	936,038	26,738	2,175,785	178,220	1,930,233	1,774,525
Net realized capital gains or (losses)	-	3,827	139,089	-	2,590,750	(7,364)	2,371,262	1,083,959
Net investment gain or (loss)	<u>49,105</u>	<u>28,631</u>	<u>1,075,127</u>	<u>26,738</u>	<u>4,766,535</u>	<u>170,856</u>	<u>4,301,495</u>	<u>2,858,484</u>
Other income or expense²								
Agent's or premium balances charged off								
Other income or expense	7,698	100	49,312	-	(360,329)	58,826	(307,778)	(295,418)
Net gain before federal income taxes (142,405)		104,946	2,669,050	26,738	(3,760,983)	(1,604,203)	5,505,402	4,327,818
Federal income taxes incurred	-	-	767,465	-	(1,235,983)	(392,498)	-	620,000
Net gain or (loss)²	<u>\$ (142,405)</u>	<u>\$104,946</u>	<u>\$1,901,585</u>	<u>\$26,738</u>	<u>\$(2,525,000)</u>	<u>\$(1,211,705)</u>	<u>\$ 5,505,402</u>	<u>\$3,707,818</u>

¹ 1999 Underwriting and investment exhibit Part 1, col. 1, line 9.

² 1999 Underwriting and investment exhibit, column 1.

Hospital, medical and dental service or indemnity corporations (HMDIs) (continued)
Statement of revenue and expenses as of December 31, 1999

	Preferred Health Northwest, Inc.	Regence BlueCross BlueShield of Oregon	Surecare Healthplans, Inc.	United Concordia Dental Plans of Oregon, Inc.	United HealthCare of Oregon	Vision Care of Oregon, Inc.	Walla Walla Valley Medical Service	Willamette Dental Insurance
Direct premium written¹	<u>\$-</u>	<u>\$854,976,787</u>	<u>\$-</u>	<u>\$ 183,267</u>	<u>\$30,567,611</u>	<u>\$7,413,359</u>	<u>\$27,938,115</u>	<u>\$7,024,590</u>
Underwriting income²								
Premium earned	\$-	945,204,614	\$ 31,197	\$181,229	\$29,037,261	7,409,466	27,292,444	6,734,815
Claims incurred	-	832,109,698	(242,700)	142,237	26,235,602	5,288,311	25,882,906	6,098,984
Provision for deferred maternity benefits								
Claim adjustment	-	66,937,278	-	4,711	551,731	173,098	1,832,881	-
Administrative	-	35,578,619	814,152	3,104	1,370,158	51,683	1,438,312	368,876
Soliciting	-	36,199,958	5,375	16,732	3,265,008	93,296	1,179,423	82,447
Reinsurance allowances	-	-	-	-	-	-	-	-
Total underwriting deductions	<u>-</u>	<u>970,825,553</u>	<u>576,827</u>	<u>166,784</u>	<u>31,422,499</u>	<u>5,606,388</u>	<u>30,333,522</u>	<u>6,550,307</u>
Net underwriting gain or (loss)	<u>-</u>	<u>(25,620,939)</u>	<u>(545,630)</u>	<u>14,445</u>	<u>(2,385,238)</u>	<u>1,803,078</u>	<u>(3,041,078)</u>	<u>184,508</u>
Investment income²								
Net investment income earned	32,116	25,928,236	28,248	1,028	289,840	387,652	802,028	22,334
Net realized capital gains or (losses)	-	17,344,242	-	-	-	7,134	-	(12,351)
Net investment gain or (loss)	<u>32,116</u>	<u>43,272,478</u>	<u>28,248</u>	<u>1,028</u>	<u>289,840</u>	<u>394,786</u>	<u>802,028</u>	<u>9,983</u>
Other income or expense²								
Agent's or premium balances charged off		(40,856)	-	-	-	3,946	-	-
Other income or expense	-	-	(5,921)	(271)	-	-	(21,216)	140,725
Net gain before federal income taxes^{3,1}	<u>32,116</u>	<u>17,610,683</u>	<u>(523,303)</u>	<u>15,202</u>	<u>(2,095,398)</u>	<u>2,201,810</u>	<u>(2,260,266)</u>	<u>335,216</u>
Federal income taxes incurred	<u>-</u>	<u>1,921,821</u>	<u>(46,562)</u>	<u>2,610</u>	<u>(740,000)</u>	<u>-</u>	<u>(593,538)</u>	<u>158,278</u>
Net gain or (loss) ²	<u>\$32,116</u>	<u>\$ 15,688,862</u>	<u>\$ (476,741)</u>	<u>\$12,592</u>	<u>\$(1,355,398)</u>	<u>\$2,201,810</u>	<u>\$(1,666,728)</u>	<u>\$176,938</u>

¹ 1999 Underwriting and investment exhibit Part 1, col. 1, line 9.

² 1999 Underwriting and investment exhibit, column 1.

NOTE: Regence BlueCross BlueShield of Oregon and Walla Walla Valley Medical Service Corporation premium numbers include Washington business.

Regence BlueCross BlueShield of Oregon premium written in Oregon was \$831,284,660. For Walla Walla Valley Medical Service, premium written in Oregon was \$410,813.

**HMO annual results as of December 31, 1999
Companies Domiciled in Oregon**

	Health Masters of Oregon, Inc. ¹	Kaiser Foundation Health Plan of NW ¹	PacifiCare of Oregon ¹	Providence Health Plan ¹	Health Net Health Plan of Oregon ¹	Regence Health Maintenance of Oregon ⁶	Regence HMO Oregon ¹
Direct premium written²	<u>\$-</u>	<u>\$ 914,396,765</u>	<u>\$358,333,033</u>	<u>\$706,341,368</u>	<u>\$152,370,727</u>	<u>\$19,676,003</u>	<u>\$636,141,624</u>
Revenues:							
1 Premium ³	\$-	\$910,411,026	\$356,215,881	\$689,628,718	\$151,712,023	\$19,550,205	\$632,537,363
2 Fee for service	-	13,643,677	-	-	-	-	-
3 Risk revenue	-	3,974,010	-	-	-	-	-
4 Net investment income	72,060	11,014,190	5,564,103	9,873,981	2,818,549	959,410	8,007,980
5 Other health care related revenues	-	3,060,416	-	-	211,919	-	-
6 Other revenues	-	1,276,228	-	10,881,515	252,334	(28)	1,651,621
7 Total revenues	72,060	943,379,547	361,779,984	710,384,214	154,994,825	20,509,587	642,196,964
Expenses:							
Medical and hospital							
8 Physician services	-	160,489,565	190,914,006	172,004,761	39,698,274	6,125,529	242,495,423
9 Other professional services	-	21,539,028	28,589,242	36,100,288	7,780,259	3,993,461	119,148,927
10 Outside referrals	-	69,022,096	-	48,052,323	8,171,118	-	-
11 Emergency room, out of area	-	39,134,117	14,118,216	14,967,136	7,109,428	526,561	15,010,538
12 Inpatient	-	204,392,148	72,522,390	227,083,893	29,092,979	4,674,539	129,215,341
13 Incentive pool & WH adj.	-	-	(447,034)	35,386,180	1,687,207	(945,890)	(14,787,712)
14 Occp, depr & amortization	-	24,606,920	-	-	-	-	-
15 Other medical	-	439,371,060	22,188,124	114,905,212	40,569,636	2,627,998	80,816,212
16 Subtotal	-	958,554,934	327,884,944	648,499,793	134,108,901	17,002,198	571,898,729
Less:							
17 Reinsurance expenses	-	-	47,842	2,353,774	1,098,200	105,668	2,031,089
18 Copayments	-	62,012,396	(244,234)	-	-	-	-
19 COB & subrogation	-	6,109,726	1,238,809	20,627,278	-	38,802	1,688,421
20 Subtotal	-	68,122,122	1,042,417	22,981,052	1,098,200	144,470	3,719,510
21 Total medical & hospital expenses	-	890,432,812	326,842,527	625,518,741	133,010,701	16,857,728	568,179,219
Administration							
22 Administration expenses	4,756	36,755,838	38,246,790	82,814,027	24,601,802	3,084,809	87,381,442
23 Total expenses	4,756	927,188,650	365,089,317	708,332,768	157,612,503	19,942,537	655,560,661
24 Income (loss)	67,304	16,190,897	(3,309,333)	2,051,446	(2,617,678)	567,050	(13,363,697)
25 Extraordinary item	-	-	-	-	(1,700,000)	-	-
26 Provision for taxes	23,614	-	(1,319,276)	-	(349,218)	193,470	526,539
27 Net income (loss)	<u>\$43,690</u>	<u>\$16,190,897</u>	<u>\$(1,990,057)</u>	<u>\$2,051,446</u>	<u>\$(568,460)</u>	<u>\$373,580</u>	<u>\$ (13,890,236)</u>
Oregon assessable premium written (Oregon Insurance Division) ⁴	\$-	\$492,457,422	\$163,172,405	\$356,405,022	\$ 154,680,744	\$-	\$282,781,289
Title 18-Medicare ⁵	\$-	\$202,648,886	\$182,153,997	\$238,934,580	\$-	\$794,666	\$178,202,945
Title 19-Medicaid ⁵	\$-	\$48,379,966	\$-	\$86,670,017	\$-	\$ 1,364	\$142,961,458

¹ 1999 Statement of revenues, expenses and net worth, column 2.

² 1999 Underwriting and investment exhibit, Part 1, col. 1, line 9.

³ Premium reported as "premium earned." In contrast to earlier years, this year's premium includes Medicare and Medicaid premium. The following companies' premium numbers included Washington business: Kaiser Foundation Health Plan of the NW, and Providence Health Plan.

⁴ 1999 Premium information sheet submitted by company.

⁵ 1999 Underwriting and investment exhibit, Part 1, col. 1, lines 6 and 7.

⁶ Regence Health Maintenance of Oregon though domiciled in Oregon in 1999 only wrote Washington business.

Fraternal benefit societies
as of December 31, 1999

Company	Life insurance		Annuities		Health insurance		
	Direct premium	Benefits paid*	Consideration received	Benefits paid	Direct premium	Premium earned	Losses paid
Aid Association for Lutherans	\$6,568,200	\$2,962,703	\$14,210,521	\$12,583,902	\$1,644,900	\$1,591,303	\$614,312
Catholic Order of Foresters	55,457	37,513	172,894	9,263	5,016	3,444	0
Catholic Workman	3,599	0	0	0	0	0	0
Croatian Fraternal Union of America	10,642	828	0	20,293	459	0	576
Degree of Honor Protective Association	80,085	71,082	110,345	62,013	0	0	0
Independent Order of Foresters	1,708,263	1,829,267	498,542	2,324,132	3,504	3,504	2,719
Knights of Columbus	2,292,641	1,261,744	1,693,941	1,390,324	5,109	0	990
Lutheran Brotherhood	4,663,084	1,283,815	10,295,898	6,150,423	290,556	289,900	141,059
Mennonite Mutual Aid Association	134,993	750	535,919	698,340	269,403	268,983	203,045
Modern Woodmen of America	692,475	586,130	291,582	736,062	6,203	6,268	6,675
National Catholic Society of Foresters	64,715	37,699	145,257	0	0	0	0
National Fraternal Society of the Deaf	3,139	852	0	0	194	194	0
Neighbors of Woodcraft	381,704	69,502	139,250	18,750	58	0	0
Omaha Woodmen Life Insurance Society	163,237	42,586	93,956	111,461	4,386	4,414	649
Polish National Alliance of the U.S. of N.A.	3,347	15,864	30,300	0	0	0	0
Royal Neighbors of America	249,925	96,527	12,533	171,440	0	0	0
Slovene National Benefit Society	0	0	0	0	0	0	0
Sons of Norway	56,419	2,281	129,615	974	994	1,018	0
Travelers Protective Association of America	0	0	0	0	391	391	0
Order of United Commercial Travelers of America	7,554	0	0	0	78,555	77,511	36,359
Western Fraternal Life Association	16,494	6,928	6,000	0	0	0	0
Woman's Life Insurance Society	4,943	11,148	0	0	0	0	0
Woodmen of the World &/or Assured Life Assoc.	<u>326,746</u>	<u>43,986</u>	<u>256,771</u>	<u>35,724</u>	<u>2,599</u>	<u>0</u>	<u>0</u>
Total	<u>\$17,487,662</u>	<u>\$8,361,205</u>	<u>\$28,623,324</u>	<u>\$24,313,101</u>	<u>\$2,312,327</u>	<u>\$2,246,930</u>	<u>\$1,006,384</u>

* Death benefits only. Matured endowment, surrender value, etc. not included.

Mortgage guaranty as of December 31, 1999

Company	Direct premiums written	Direct premiums earned	Dividends paid	Unearned premium reserves	Direct losses paid	Direct losses incurred	Direct losses unpaid
Amerin Guaranty Corporation	\$2,968,178	\$3,326,873	\$0	\$143,479	\$240,477	\$1,143,580	\$1,426,099
Cmg Mortgage Insurance Company	505,293	501,494	0	7,216	13,241	62,709	66,970
GE Residential Mortgage Insurance Corp. of NC	613	637	0	390	0	0	0
General Electric Mortgage Insurance Corporation	5,619,050	5,678,046	0	478,664	855,244	906,480	2,879,439
General Electric Mortgage Insurance Corp.of NC	1,141	1,741	0	604	0	(3,348)	0
Mortgage Guaranty Insurance Corporation	11,299,650	11,786,415	0	1,245,320	817,076	7,592,162	46,012,362
PMI Mortgage Insurance Company	8,412,190	7,959,828	0	1,488,525	691,470	1,181,279	2,432,267
Radian Guaranty Inc.	6,247,203	6,223,350	0	499,435	825,268	1,977,104	3,290,997
Republic Mortgage Insurance Company	3,987,600	4,042,280	0	207,015	161,909	591,675	1,406,866
Triad Guaranty Insurance Corporation	182,452	186,164	0	7,633	0	27,516	49,012
United Guaranty Credit Insurance Company	(290)	4,380	0	17,278	0	0	0
United Guaranty Residential Insurance Company	8,875,694	9,038,334	0	978,114	413,974	1,675,741	3,655,749
Verex Assurance, Inc.	6,471	9,047	0	3,432	0	(19,784)	1,744
Wisconsin Mortgage Assurance Corporation	<u>16,115</u>	<u>21,047</u>	<u>0</u>	<u>8,333</u>	<u>0</u>	<u>(38,698)</u>	<u>33,263</u>
Total	<u>\$48,121,360</u>	<u>\$48,779,636</u>	<u>\$0</u>	<u>\$5,085,438</u>	<u>\$4,018,659</u>	<u>\$15,096,416</u>	<u>\$61,254,768</u>

Note: Mortgage guaranty business is included in Property & Casualty business.

Title insurance as of December 31, 1999

Company	Direct premium written	Direct premium earned	Other income	Direct losses paid	Direct losses incurred
Chicago Title Insurance Company	16,378	358,509	1,762	423,957	220,117
Chicago Title Insurance Company of Oregon	26,253,240	25,563,585	5,285,772	694,019	1,231,081
Commonwealth Land Title Insurance Company	186,531	212,543	0	(8,218)	(8,212)
Fidelity National Title Insurance Company	16,604,237	16,237,737	0	338,045	788,287
First American Title Insurance Company of Oregon	38,549,325	38,549,325	12,822,503	892,540	986,269
Lawyers Title Insurance Corporation	5,212,841	5,136,203	0	(5,000)	(14,459)
Oregon Title Insurance Company	9,080,932	8,853,372	10,107,856	403,850	457,542
Pacific Northwest Title Insurance Company, Inc.	4,385,279	4,367,709	0	3,293	3,293
Stewart Title Guaranty Company	4,103,692	4,696,550	5,702	80,500	197,699
Stewart Title Insurance Company Of Oregon	7,027,173	6,273,118	0	0	0
Ticor Title Insurance Company	19,468,552	18,522,574	6,819,253	655,324	747,641
Transnation Title Insurance Company	<u>18,396,787</u>	<u>17,937,525</u>	<u>3,909,373</u>	<u>187,999</u>	<u>102,169</u>
Total	<u>\$149,284,967</u>	<u>\$146,708,750</u>	<u>\$38,952,221</u>	<u>\$3,666,309</u>	<u>\$4,711,427</u>

Oregon surplus lines writing, 1998 and 1999

Name	1998 premium	1999 premium
Aon Risk Services, Inc. of Oregon	\$12,029,996	\$7,721,766
Marsh USA, Inc.	8,109,526	7,457,833
Sedgwick James of Oregon	6,013,111	3,542,473
Kenneth I. Tobey, Inc.	3,492,371	3,382,219
Robert J. Wood & Company, Inc.	2,858,038	3,272,399
Indemnity Excess & Surplus Agency	4,154,708	2,816,760
Independent Insurance Wholesalers	4,781,589	2,630,812
Crump Insurance Services Northwest, Inc.	1,421,935	2,461,515
Swett & Crawford Corporation	1,505,765	2,408,799
Jewett, Barton, Leavy & Kern, Inc.	1,511,374	2,296,194
Acordia of Oregon, Inc.	1,580,970	2,216,419
Willis Corroon Corporation of Eugene	1,204,734	2,146,231
Thomas E. Barber	2,048,935	1,901,917
McFall General Agency, Inc.	2,118,224	1,886,469
Groninger & Co., Inc.	1,753,865	1,879,409
Herman R. Deiss	1,735,059	1,561,030
Paula D. Jordan	775,269	1,351,829
Sullivan & Associates of Oregon (dba:)	1,630,717	1,335,951
Ron Rothert Insurance, Inc.	1,345,657	1,325,148
Environmental Insurance Agency, Inc.	1,068,640	1,264,496
Durham & Bates Agencies, Inc.	1,003,756	1,123,478
Heaton, Sharon L.	0	793,599
Willis Corroon Corporation of Portland	657,402	700,069
Primex Insurance Brokers, Inc.	669,112	647,482
Emery & Karrigan, Inc.	717,947	340,840
Dean, Gregory Evan	0	334,625
Campbell, Galt & Newlands, Inc.	472,055	298,112
George Newman	240,354	295,029
Fullerton & Company, Inc.	47,546	289,313
Kelly & Elliott, Ltd.	381,373	262,610
Insurance Marketing Corporation of Oregon	196,817	232,891
Granite Insurance Services, Inc.	133,809	138,163
Delanty, Michael Edward	0	110,950
Gales Creek Insurance Services, Inc.	86,196	98,386
Keelson Partners	61,891	74,095
James R. Cole	201,441	53,234
VanBeurden Hayes Insurance Services, Inc.	223,553	48,000
American Insurance Managers, Inc.	22,897	38,487
Dahl, Linda Sue	0	27,867
Darus Peake	15,813	23,537
Maguire Insurance Agency, Inc.	8,510	19,063
Deans & Homer	0	8,825
W.B. Adams Co.	0	3,856
Valley Pacific, Inc.	<u>52,590</u>	<u>644</u>
Totals	<u>\$66,333,545</u>	<u>\$60,822,824</u>

Note: Four companies which contributed \$1,586,925 to the 1998 premium total were removed from this list because they had no premiums in 1999.

Risk retention groups
as of December 31, 1999

Company	Premium written	Dividends
AAOMS National Insurance Company, a Risk Retention Group	\$155,549	\$0
American Association of Orthodontists Ins. Co., RRG	39,621	0
American Contractors Insurance Company Risk Retention Group	101,995	0
American Excess Insurance Exchange, Risk Retention Group	1,230,000	1,500,000
American Feed Industry Insurance Company Risk Retention Group	43,379	0
American Safety Risk Retention Group, Inc.	45,213	0
Attorneys' Liability Assurance Society, Inc. RRG	3,404,665	0
College Liability Insurance Company, Risk Retention Group	263,806	0
Columbia National Risk Retention Group, Inc.	1,290	0
Consumer Specialties Insurance Company, a Risk Retention Group	15,217	0
CPA Mutual Insurance Company of America Risk Retention Group	172,703	26,301
Dependable Protective Mutual Risk Retention Group	0	910
Doctors Insurance Reciprocal (Risk Retention Group)	1,556	0
Evergreen USA Risk Retention Group, Inc.	9,227	0
Heritage Warranty Mutual Insurance Risk Retention Group	986	0
National Home Insurance Company, Risk Retention Group	89,068	0
National Service Contract Insurance Company RRG	37,906	0
National Warranty Insurance Risk Retention Group	234,966	0
OOIDA Risk Retention Group, Inc.	61,580	0
Ophthalmic Mutual Insurance Company Risk Retention	1,500	30
Podiatry Insurance Company of America, Risk Retention Group	177,638	8,163
Preferred Physicians Medical Risk Retention Group	4,323	0
Premier Insurance Exchange Risk Retention Group	68,000	0
Reciprocal Alliance (Risk Retention Group)	202,125	0
Residential Insurance Company, Inc. a Risk Retention Group	7,777	0
Terra Insurance Company (a Risk Retention Group)	50,701	3,785
United Educators Insurance Risk Retention Group	590,695	0
Western Pacific Mutual Insurance Company, a Risk Retention Group	<u>67,262</u>	<u>0</u>
Total	<u><u>\$7,078,748</u></u>	<u><u>\$1,539,189</u></u>

**Historic premium written, all business
calendar years 1993-1999**

	CY93	CY94	CY95	CY96	CY97	CY98	CY99
P&C	\$2,877,893,704	\$2,964,792,636	\$3,098,718,913	\$3,226,596,666	\$3,322,505,012	\$3,372,114,470	\$3,377,952,809
Life	700,547,185	804,706,531	820,473,457	868,560,693	875,886,295	880,541,747	915,579,254
Annuities	570,437,544	684,463,115	685,317,681	621,105,877	597,966,148	626,745,997	622,851,593
Life A&H	529,142,609	527,712,080	541,821,698	559,026,063	640,539,431	741,314,460	742,319,304
P&C A&H	80,558,781	66,052,144	102,712,847	130,232,797	187,787,664	258,416,317	79,164,587
HCSC*	2,097,810,471	2,238,099,328	2,345,184,794	3,471,757,781	3,496,728,193	3,781,942,374	4,224,781,739
Fraternal	40,639,186	41,296,313	42,757,059	41,323,058	44,818,011	46,185,766	48,423,313
Title	106,545,170	101,044,809	90,981,586	119,972,062	125,730,121	169,126,850	149,284,967
Surplus Lines	75,788,119	68,199,509	71,655,421	58,293,453	62,217,561	67,920,470	60,822,824
Risk retention	<u>3,047,513</u>	<u>3,678,124</u>	<u>4,516,792</u>	<u>7,610,213</u>	<u>5,096,668</u>	<u>4,943,734</u>	<u>7,078,748</u>
Total	<u>\$7,082,410,282</u>	<u>\$7,500,044,589</u>	<u>\$7,804,140,248</u>	<u>\$9,104,478,663</u>	<u>\$9,359,275,104</u>	<u>\$9,949,252,185</u>	<u>\$10,228,259,138</u>

* HCSC premium is the total of premium written for HMDIs and premium earned for HMOs. HCSC premium includes Washington business of companies writing in both Oregon and Washington.

Insurance Division
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PartII