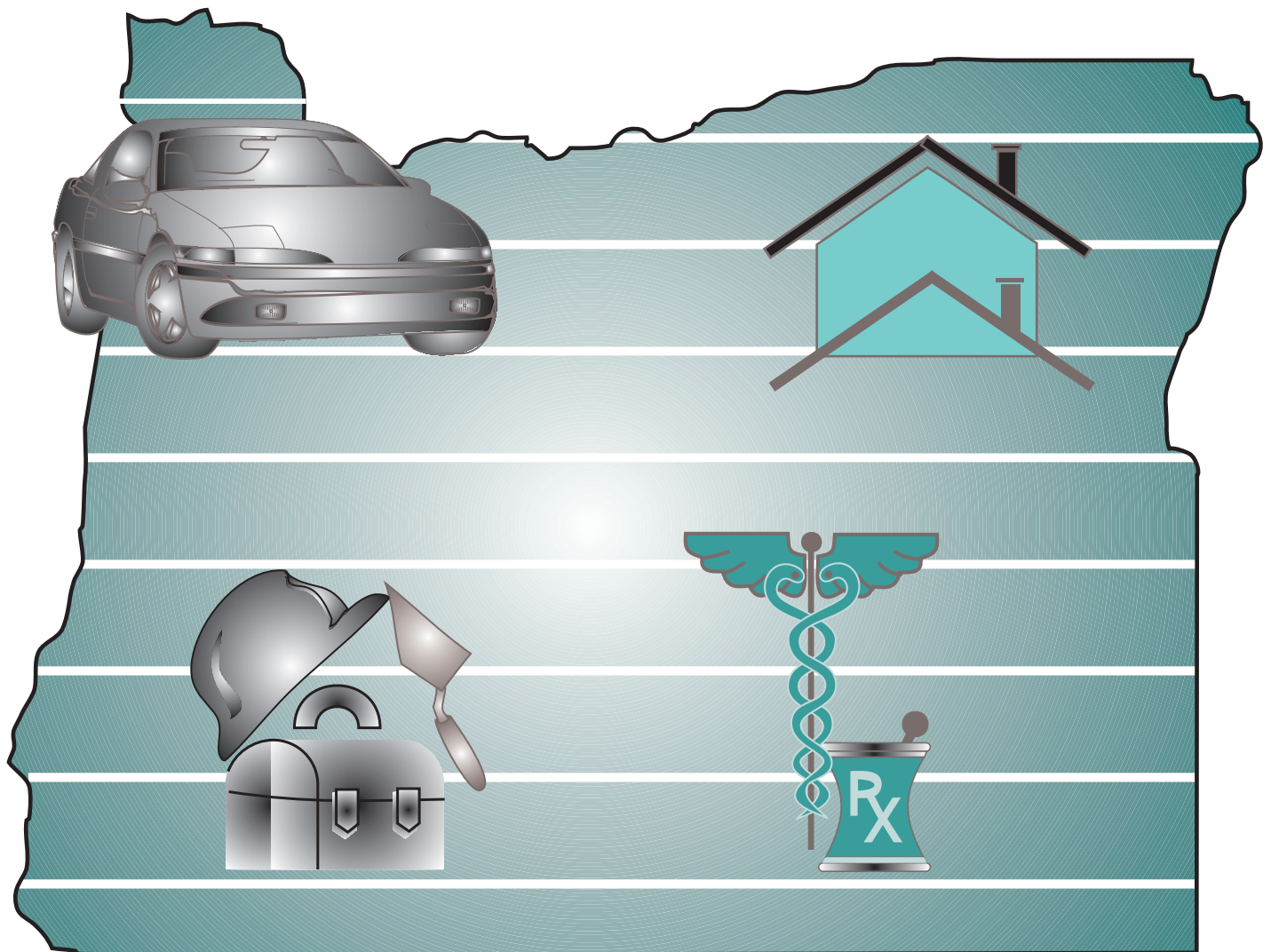


Insurance Division Annual Report 1997

Part I

Research & Analysis Section
Oregon Department of Consumer
& Business Services



June 1999

Insurance Division Annual Report Calendar Year 1997 Part I

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June 1999

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Changes

The *Insurance Division Annual Report 1997* 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 1997 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. Part II is available in printed form, by request to (503) 378-8254, or on the Internet at:
<http://www.cbs.state.or.us/imd/rasums/2126/part2.html>

1997 Legislative Highlights

Introduction

Health insurance again received extensive attention from the Legislative Assembly during the 1997 session. Two major pieces of health insurance legislation were enacted, SB 21 and SB98. SB 21 establishes operational, disclosure, and reporting requirements for health plans. SB 98 modifies existing health insurance requirements to conform to new requirements of federal law governing portability of coverage, nondiscrimination, preexisting conditions, and small employer health insurance.

Other major insurance legislation includes SB 934, which prohibits, in the transaction of insurance, unfair discrimination against victims of domestic violence.

Unless otherwise specified, the effective date of a bill was October 4, 1997.

I. Regulation of Insurers Generally

A. SB 92 (ch. 771)

Conversion of Mutual Insurers and Other Company Organizational Issues

SB 92 establishes a process by which an Oregon-domiciled mutual insurance company may change to stock ownership. The process offers more flexibility and more options than are available under current law. The bill authorizes a mutual insurer to propose a plan according to which the mutual insurer converts directly to stock ownership or reorganizes by forming a stock or mutually owned insurance holding company and by converting the mutual insurer to a stock insurer that becomes a subsidiary of the holding company. The plan must be approved by the insurer's board of directors and the Director of the Department of Consumer and Business Services, and must then be adopted by the voting policyholders.

The bill amends the current requirement that a majority of the board of directors of a domestic insurer be Oregon residents, reducing the minimum board membership of Oregon residents to five directors or one-third of the directors, whichever is fewer.

The bill also amends current laws governing the process by which an insurer domiciled in another state may change its domicile to Oregon. The changes facilitate the process by eliminating the need for corporate formation and merger transactions.

B. SB 934 (ch. 564)

Discrimination Against Victims of Domestic Violence

SB 934 prohibits an insurer from considering the status of an insured or prospective insured as a victim of domestic violence for the purposes of underwriting and rating, granting or continuing coverage, determining premium, and covering claims.

II. Life Insurance

A. SB 94 (ch. 128)

Transaction of Life Settlements

SB 94 authorizes continuation of the regulatory program for the transaction of life settlements, also known as viatical settlements. The program was established in legislation enacted in 1995. The 1995 legislation included a section establishing a date of repeal of the legislation, and the 1997 bill repeals that sunset date.

B. HB 3081 (ch. 735)

Charitable Annuities

HB 3081 decreases the length of time for which nonprofit religious, tax-exempt corporations and certain specified nonprofit tax-exempt charitable organizations must exist in order to qualify for a certificate of authority under the Insurance Code to pay an annuity in return for a transfer of money or property. For religious organizations, the qualification period is eliminated; for the other category, the period is reduced from 20 years to 10 years.

III. Health Insurance

A. SB 21 (ch. 343)

Health Care Consumer Protection

SB 21 establishes operational, disclosure, and reporting requirements for health insurance plans regarding rights of enrollees, grievance procedures, drug formularies, confidentiality, covered services, referral procedures, risk-sharing arrangements, utilization review, quality assessment, network adequacy, and other matters. A Health Care Consumer Protection Advisory Committee is also established.

The Director of the Department of Consumer and Business Services must adopt rules for reporting requirements. The Oregon Health Plan Administrator must establish a consortium to develop performance measurements and enrollee satisfaction surveys for health plans.

The Director must adopt rules implementing this legislation and must enforce provisions of federal maternity care requirements.

SB 21 took effect on June 18, 1997. The operative date for the substantive changes was January 1, 1998.

B. SB 93 (ch. 96)

Medicare Supplement Insurance

SB 93 amends statutes regulating the transaction of Medicare supplement insurance. The changes conform Oregon law to requirements of federal law. The main change requires insurers who provide major medical coverage to include a notice in their policies that their coverages are not Medicare supplement

insurance. Other conforming and nonsubstantive changes are made as well.

SB 93 took effect on April 28, 1997.

C. SB 98 (ch. 716)

Health Insurance Portability and Federal Standards

SB 98 modifies existing requirements applicable to group, individual, and portability health insurance policies in order to conform to the requirements of the federal Health Insurance Portability and Accountability Act.

SB 98 took effect on August 1, 1997.

D. SB 312 (ch. 573)

Coverage of Off-Label Use of Prescription Drugs

SB 312 prohibits an insurance policy that provides coverage for a prescription drug from excluding coverage of the drug for a particular indication solely because the indication is not approved by the U.S. Food and Drug Administration (USFDA) if the Health Resources Commission determines that the drug is recognized in independent medical or pharmaceutical journals as effective for that use. The prohibition does not require coverage for a contraindicated use of a drug or for experimental drugs for which the USFDA has not approved any indication.

E. SB 744 (ch. 695)

Physician Assistants

Section 3 of SB 744 prohibits an insurer from refusing a claim submitted by a physician assistant instead of the physician assistant's supervisory physician when the physician assistant is authorized by statute to practice medicine in a rural area. Section 3 is enacted in lieu of the current statute, ORS 743.724, which is repealed.

F. SB 867 (ch. 795)

School Districts; Self-Insurance of Health Benefits

SB 867 exempts from the Insurance Code certain school districts that individually or jointly provide health insurance coverage to employees or dependents, to a combination of employees and dependents, or to students while engaged in school activities. School districts are eligible if they meet specified requirements governing benefits, coverage disclosure, financial administration, minimum group size, and other matters.

G. SB 911 (ch. 651)

Coverage of Emergency Services

SB 911 requires insurers of health benefit plans to provide coverage without prior authorization for specified emergency medical services, including emergency services provided by a non-participating provider, and requires insurers to provide information to enrollees regarding the appropriate use of 911. This bill further amends SB 21 (described above).

H. SB 979 (ch. 757)

Long Term Care Insurance; Availability for Public Employees

SB 979 requires the State Employees' Benefit Board and Bargaining Unit Benefits Board to make long term care insurance available for purchase by public employees.

I. SB 1182 (ch. 759)

Reimbursement of Managed Care Providers

SB 1182 applies to an insurer offering managed health care who requires providers applying for participation to submit credentials for review. The insurer must accept and retroactively pay claims for covered services of the provider when the services are provided during the period in which the application is under consideration, if the application is accepted.

SB 1182 took effect on August 5, 1997.

SB 1182 is repealed on December 31, 1999.

J. HB 2388 (ch. 496)

Mandated Coverage, Inborn Errors of Metabolism

Requires individual and group health insurance policies providing coverage for hospital, medical, or surgical expenses, other than for accidents or specific diseases only, to include coverage for specified inborn errors of metabolism for which medically standard methods of diagnosis, treatment, and monitoring exist.

HB 2388 took effect on July 3, 1997.

K. HB 2894 (ch. 683)

Family Assistance Program, Premium Subsidies

HB 2894 establishes a Family Health Insurance Assistance Program within the Insurance Pool Governing Board, to provide need-based assistance to persons seeking health insurance coverage. The Board will determine the level of assistance to be provided. Provision of assistance vouchers depends on specific legislative appropriation for the assistance.

HB 2894 took effect on July 28, 1997.

IV. Property and Casualty Insurance

A. SB 378 (ch. 778)

Casualty Insurance Coverage of Public Office Holder

SB 378 prohibits an insurer offering casualty insurance or commercial liability insurance from canceling or refusing to issue or renew a policy, or limiting coverage under a policy, solely because the policyholder holds a public office.

B. SB 479 (ch. 278)

Motor Vehicle Liability Insurance; Identification Cards Showing Coverage

The current law, passed in 1993, requires motor vehicle insurers to issue insurance cards and requires motor vehicles to carry the card. That law was scheduled to sunset March 1, 1997. SB 479 removes the repeal date of the statutes requiring issuance of the card.

C. SB 527 (ch. 344)

Personal Injury Protection Benefits, Motor Vehicle Liability Insurance

SB 527 modifies the definition of “pedestrian” for purposes of personal injury protection benefits under motor vehicle coverage in order to include a person occupying a wheelchair or similar vehicle designed for use by a physically disabled person when its use is determined to be medically necessary for the person. The amendment resolves the question whether a person in a wheelchair or a similar vehicle is to be treated as a pedestrian, a passenger or another category for purposes of coverage generally and determining which of two or more coverages is primary.

D. SB 601 (ch. 841)

Liquor Liability

SB 601 concerns the liability of dispensers of alcohol incurred or caused by intoxicated patrons or guests away from the dispensing premises. The issue concerning insurance is the new requirement that persons holding certain licenses to serve alcoholic beverages to the public on licensed premises maintain liquor liability insurance of not less than \$300,000 or maintain a bond with a corporate surety in the amount of not less than \$300,000. The Oregon Liquor Control Commission is given authority to increase the amount of the insurance or bond.

SB 601 took effect on March 15, 1998.

E. SB 645 (ch. 808)

Motor Vehicle Liability Insurance; Arbitration of Disputes Concerning Coverage, Benefits

SB 645 modifies the ability of a policyholder to bypass third party recovery in order to recover directly from the policyholder’s uninsured motorist (UM) coverage or underinsured motorist (UIM) coverage. The legislation requires the policyholder to exhaust third party liability limits before making a claim under the UIM provision; provides that if the insurer providing the UIM coverage rejects an offer of the policy limits by the other insurer, the rejection acts as an exhaustion of third party liability limits; and provides that third party liability limits may be exhausted when an injured party settles with a liability insurer for less than the policy limits, when the injured party agrees to credit the full liability limit.

The bill also redefines “underinsured” limits to allow UIM coverage when multiple liability claimants exhaust a policy’s liability limits, when individual awards are less than UIM limits.

The bill also modifies current Oregon case law to extend the personal injury protection offset against uninsured motorist coverage limits to underinsured motorist coverage limits.

Finally, the bill modifies UM and PIP statutes governing arbitration of coverage disputes to remove mandatory arbitration provisions and to provide for arbitration if the parties mutually agree at the time of the dispute.

F. HB 2893 (ch. 766)

Workers’ Compensation Insurance Rating Classifications

HB 2893 amends current insurance rating standards to specify the billing action that an insurer must take if the insurer determines that a workers’ compensation insurance policy of an insured employer needs reclassification. The insurer may bill for additional premium but must give 60 days’ notice, shall bill retroactively for a reclassification that results in a net reduction of premium and may bill retroactively without prior notice in specified circumstances. HB 2893 also requires the Director of the Department of Consumer and Business Services to analyze the current rating classification system for the purpose of determining whether changes are required.

G. HB 3534 (ch. 768)

Workers’ Compensation Insurance Rating, Third Party Recovery

HB 3534 prohibits the Director of the Department of Consumer and Business Services from approving any workers’ compensation rating system that does not allow the insurer to include potential third party recovery as a variable in the claims-reserving process.

V. MISCELLANEOUS

A. SB 99 (ch. 131)

Charitable Annuities; Agent Licensing, Continuing Education; Reporting of Property and Casualty Insurance Claims and Losses

SB 99 allows nonprofit organizations and educational institutions that issue charitable annuities to maintain and file their annual reports with the Director of the Department of Consumer and Business Services on the basis of their fiscal year. Currently, the entities must file their reports on either of two dates specified in the statute.

The continuing education exemption for retired agents is also modified to reduce the retirement age to 58, to reduce the years of required experience to ten, and to limit the exemption to life insurance and to the servicing of existing policies.

The bill repeals reporting requirements applicable to property and casualty insurers, including loss expense reports relating to the transaction of commercial liability policies, and reporting requirements for claims against liquor liability insurance

policies. The bill also removes the requirement that the Insurance Division maintain a record of professional liability insurance claim reports received by health provider licensing boards.

B. SB 677 (ch. 809)

Insurance Advertising

SB 677 provides that an insurer or licensee (such as an insurance agent) who advertises in a language other than English need not provide an insurance policy in a language other than English if the advertisement clearly states that the policy is available only in English.

C. SB 721 (ch. 419)

Insurance Consultants

SB 721 revises provisions requiring a person to be licensed as an insurance consultant if the person engages in specified activities and receives compensation other than commission. The revision specifies examples of compensation.

D. HB 3046 (ch. 566)

Electronic Signatures

HB 3046 authorizes use of an electronic signature to sign a writing and grants the same force and effect to such a signature as to a written signature, except as otherwise provided by law. The bill also authorizes registration of authentication authorities, who are persons who offer digital signature authentication services.

The bill also provides that, unless otherwise provided by law, when a signature is required on a computer-based document, a party to the communication may affix an electronic signature, and its use has the same force and effect as the use of a written signature. The Director of the Department of Consumer and Business Services is granted authority to issue certificates for the purpose of verifying digital signatures as well as authority to register persons as authentication authorities. A certificate is defined as a computer-based identifying record.

E. HB 3358 (ch. 831)

Insurance Agents, Banks

HB 3358 modifies restrictions in the Bank Act on persons acting as insurance agents on behalf of a banking institution, by prohibiting such persons from being engaged on behalf of an institution in any activity relating to the making of loans or granting of other credits to customers of the institution. Under prior law, such a person could engage only in the insurance agency activity.

HB 3358 also replaces the existing requirement that prior to the sale of an insurance policy, an institution must disclose in writing to the purchaser that the purchaser is not required to purchase insurance from the institution as a condition of obtaining a service. The requirement is replaced with a specific notice provision in the statute that also urges the consumer to shop and compare prices for insurance and provides for acknowledgment of the notice.

Insurance Division Organization

Insurance Division Mission

The Insurance Division protects Oregonians by ensuring the financial soundness of insurers, the availability and affordability of insurance, and the fair treatment of policyholders. The division:

- Advocates for the insurance-buying public.
- Investigates consumer complaints against insurance companies and agents.
- Licenses insurance companies and agents doing business in Oregon.
- Disciplines violators of Oregon's insurance law.
- Examines insurers for solvency and compliance with insurance law.
- Approves insurance products to be offered to the public.
- Reviews rates charged for insurance products.

Insurance Division Organization

The Insurance Division is comprised of **four sections**:

- Administrative Services & Operations
- Company Regulation
- Consumer Protection
- Rates & Forms

Administrative Services & Operations Section

In addition to providing administrative support to the Insurance Division, the Administrative Services and 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 and Operations develops legislation and administrative rules, and conducts contested case hearings. The section also is responsible for developing the Insurance Division's budget.

Company Regulation Section

The Company Regulation Section is responsible for the licensing and examination of all domestic and foreign insurers. Company Regulation activities include maintenance of files on approximately 1,600 licensed insurers; financial analysis of annual and quarterly financial statements; review of applications to transact insurance business in Oregon; collection of insurance taxes from insurers, which amounted to \$47 million in general

fund revenue in Calendar Year 1997; supervision of all surplus lines business in Oregon; and maintenance of security deposits by licensed insurers. The section also reviews applications for formation of risk retention and purchasing groups under provisions of the Liability Risk Retention Act of 1986.

Activities include examining the financial condition of all insurers domiciled in Oregon at least once every three years, as well as participating in examinations of other foreign and alien insurers. Additional responsibilities include administration and review of filings for new company formations and applications for mergers and/or acquisitions of domestic insurers. The examinations staff also supervises rehabilitation and liquidation activities involving domestic insurers.

Consumer Protection Section

The Consumer Protection Section assists consumers in resolving inquiries and complaints, investigates and enforces

Oregon law, conducts market conduct examinations of insurers, recommends to the director imposition of civil penalties if a law has been violated, recommends suspension or revocation of agent licenses where appropriate, 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 reviews insurance policies for fairness and compliance with Oregon law. Property and casualty and health pricing systems are also reviewed to ensure that rates are not excessive or unfairly discriminatory. In some cases, advertising and marketing practices are also reviewed.

Insurance Division revenue and
expenditures for fiscal year 1997

Revenue - other funds		
Other business licenses & fees	\$4,152,223	
Other charges for service	1,031,643	
Cash/investment income	295,343	
Excess Fund Interest	107,887	
Gain (loss) sale of investment	(7,650)	
Federal revenue (SHIBA)	143,273	
Other sales income	9,948	
Donations & grants	0	
Other revenue	(172,385)	
Fire Marshal fees	4,670,031	
To Bureau of Public Safety Standards & Training	(353,802)	
To state police	(4,328,730)	
Intrafund transfers in	275,132	
Intrafund transfers out	<u>(1,071,769)</u>	
	Total - other fund revenue	4,751,144
Revenue - general fund		
Insurance taxes		
Premium tax risk retention	112,872	
Gross premium tax	69,792,367	
Ocean marine underwriting	60,953	
Retaliatory taxes	1,407,955	
Surplus line premium tax	1,624,068	
Excess fund interest	634,906	
Fines & forfeitures	443,156	
Interest income	98,496	
Other revenue	51	
To State General Fund	<u>(74,174,824)</u>	
	Total - general fund revenue	<u>0</u>
	Total revenue	<u><u>\$4,751,144</u></u>
Expenditures		
Personal services and services & supplies	5,348,338	
Capital outlay	<u>3,599</u>	
	Total expenditures	<u><u>\$5,351,937</u></u>

Note: The transfer to the State General Fund does not reflect extensive refunds of prepaid premium taxes. The refunds were issued during calendar year 1997 and resulted from the transition from a gross premium tax system to a system combining a retaliatory tax collected by the Insurance Division with an excise tax collected by the Department of Revenue.

Company changes
New authorizations, January 1997 - December 1997

Date	Name	Location
01/06/97	Maine Bonding and Casualty Company	Portland, ME
01/06/97	National Standard Insurance Company	Irving, TX
01/14/97	American Diabetes Association	Cleveland, OH
02/04/97	Pacific Pioneer Insurance Company	Artesia, CA
02/04/97	Pacific Specialty Insurance Company	Menlo Park, CA
02/06/97	Connecticut Surety Company	Hartford, CT
02/13/97	Infinity Select Insurance Company	Indianapolis, IN
02/13/97	Victoria Select Insurance Company	Cleveland, OH
02/14/97	Christian Church Foundation, Inc.	Indianapolis, IN
02/14/97	Portland Art Museum	Portland, OR
02/14/97	Trust for Public Land	San Francisco, CA
02/18/97	American Physicians Life Insurance Company	Pickerington, OH
02/18/97	Great States Insurance Company	Anaheim, CA
02/20/97	Sunamerica National Life Insurance Company	Phoenix, AZ
02/21/97	Trans-General Casualty Insurance Company, Inc.	Pittsburgh, PA
02/21/97	Usable Life dba Usable Life Insurance Company	Little Rock, AR
02/25/97	Phoenix Indemnity Insurance Company	Phoenix, AZ
02/26/97	National Multiple Sclerosis Society	New York, NY
03/03/97	Evergreen National Indemnity Company	Columbus, OH
03/05/97	North American Baptists, Inc.	Oakbrook Terrace, IL
03/07/97	Residential Guaranty Company	Phoenix, AZ
03/18/97	American Concept Insurance Company	Rapid City, SD
03/18/97	Germantown Life Insurance Company	Radnor, PA
04/09/97	Transguard Insurance Company of America, Inc.	Naperville, IL
04/14/97	Catholic Relief Services-United States Catholic Conference, Inc.	Washington, DC
04/24/97	Acceptance Casualty Insurance Company	Lubbock, TX
05/01/97	Citizens Insurance Company of America	Denver, CO
05/29/97	United Healthcare of Oregon, Inc.	Portland, OR
05/29/97	USF&G Business Insurance Company	Baltimore, MD
05/29/97	USF&G Family Insurance Company	Baltimore, MD
06/09/97	Home Security Association of Florida, Inc. dba Home Security Insurance Association	Deltona, FL
06/13/97	Excess Share Insurance Corporation	Dublin, OH
07/08/97	Equity Fire and Casualty Company	Tulsa, OK
07/29/97	Danielson Insurance Company	Rancho Dominguez, CA
07/29/97	Danielson National Insurance Company	Rancho Dominguez, CA
07/29/97	Stewart Title Insurance Company of Oregon	Tigard, OR
08/05/97	Fidelity National Title Insurance Company	Irvine, CA
08/08/97	American Family Life Insurance Company	Madison, WI
08/08/97	American Standard Insurance Company of Wisconsin	Madison, WI
08/12/97	Deerbrook Insurance Company	Northbrook, IL
08/18/97	National Teachers Associates Life Insurance Company	Dallas, TX
08/27/97	One Health Plan of Oregon, Inc.	Portland, OR
09/02/97	American Family Mutual Insurance Company	Madison, WI
09/05/97	Society of the Sisters of the Holy Names of Jesus and Mary	Lake Oswego, OR
09/18/97	National Kidney Foundation, Inc.	New York, NY
09/23/97	American Bible Society	New York, NY
11/13/97	Cincinnati Indemnity Company	Fairfield, OH
11/13/97	Cincinnati Casualty Company	Fairfield, OH
11/13/97	Nichido Fire and Marine Insurance Company, Ltd.	New York, NY
11/24/97	Familycare Health Plans, Inc.	Portland, OR
12/19/97	Commonwealth Insurance Company of America	Seattle, WA
12/23/97	20th Century Insurance Company	Woodland Hills, CA
12/23/97	Condor Insurance Company	Calabasas, CA

Company changes
Terminated, January 1997 - December 1997

Company	Date	Reason	(as of 12/31/97)	
			Assets	Liabilities
First National Life Insurance Company	01/18/97	suspended	NA	NA
Insurance Corporation of America	03/12/97	suspended	NA	NA
Mid-Continent Life Insurance Company	06/06/97	suspended	\$314,334,855	\$314,334,854
Pinnacle Insurance Company	07/31/97	suspended	\$10,498,881	\$10,498,881
Home Insurance Company	08/14/97	suspended	\$1,445,652,948	\$1,445,652,948
United Southern Assurance Company	09/29/97	suspended	NA	NA
American Eagle Insurance Company	11/20/97	suspended	NA	NA

NA = Not available, company not required to file an annual statement

Company Changes
Name changes, January 1997 - December 1997

Date	Old name	New name
01/10/97	Melbourne Reinsurance Corporation	QBE Insurance Corporation
02/01/97	Abeille General Insurance Company, Inc.	AIG National Insurance Company, Inc.
02/12/97	Mida Dental Plans, Inc.	United Concordia Dental Plans of Oregon, Inc.
02/24/97	Pro-West Insurance Company	Progressive West Insurance Company
03/11/97	Financial American Insurance Company	FirstComp Insurance Company
04/01/97	Blue Cross and Blue Shield of Oregon	Regence BlueCross BlueShield of Oregon
04/01/97	HMO Oregon	Regence HMO Oregon
04/01/97	Oregon Pacific States Insurance Company	Regence Life and Health Insurance Company
04/02/97	Community Financial and Insurance Corporation	Wellmark Community Insurance, Inc., dba Wellmark Community Insurance Co.
04/02/97	Roseburg Health Enterprises, Inc. dba RHEI SureCare Health Plans	Roseburg Health Enterprises, Inc. dba SureCare Health Plans
04/16/97	Western Conservative Baptist Seminary	Western Seminary
04/18/97	Classic Insurance Company	Progressive Classic Insurance Company
06/02/97	The Mercantile and General Reinsurance Company Limited	Swiss Re Life and Health Limited
06/11/97	Southern Oregon State College Foundation	Southern Oregon University Foundation
06/19/97	CalFarm Life Insurance Company	CalAmerica Life Insurance Company
06/19/97	Swiss Re Life Company America	Swiss Re Life and Health America Inc
06/23/97	Financial Security Assurance International, Inc.	Managed Comp National Insurance Company
06/27/97	United Guaranty Commercial Insurance Company	United Guaranty Mortgage Indemnity Company
07/01/97	Aetna Casualty and Surety Company	Travelers Casualty and Surety Company
07/01/97	Aetna Casualty and Surety Company of America	Travelers Casualty and Surety Company of America
07/01/97	Aetna Casualty and Surety Company of Illinois	Travelers Casualty and Surety Company of Illinois
07/01/97	Aetna Casualty Company of Connecticut	Travelers Casualty Company of Connecticut
07/01/97	Aetna Commercial Insurance Company	Travelers Commercial Insurance Company
07/01/97	Aetna Insurance Company	Travelers Property Casualty Insurance Company
07/01/97	League General Insurance Company	CUMIS General Insurance Company
07/02/97	Pacific Health and Life Insurance Company	Lifewise, A Premera Health Plan, Inc.
07/03/97	Paula Insurance Company dba Agri-Comp Insurance Company	Paula Insurance Company
07/11/97	Security Reinsurance Company	Orion Insurance Company
07/15/97	Colonial Insurance Company of California	Colonial Insurance Company of Wisconsin
07/25/97	Albertina Kerr Center for Children dba Albertina Kerr Centers	Albertina Kerr Centers
08/08/97	Western Oregon State College Development Foundation	Western Oregon University Development Foundation
08/12/97	Christiania General Insurance Corporation of New York	Commercial Compensation Insurance Company
08/25/97	Great Lakes American Reinsurance Company	Folksamerica General Insurance Company
09/01/97	Pacific Mutual Life Insurance Company	Pacific Life Insurance Company
09/02/97	Anthem Casualty Insurance Company	Shelby Casualty Insurance Company
09/09/97	First International Life Insurance Company	Park Avenue Life Insurance Company
09/23/97	Sirius Reinsurance Corporation	Sirius America Insurance Company
10/01/97	National Chiropractic Mutual Insurance Company	NCMIC Insurance Company
10/14/97	Providence Health Plans dba Providence Good Health Plans	Providence Health Plan
10/21/97	Qual-Med Oregon Health Plan, Inc.	QualMed Oregon Health Plan, Inc.
10/24/97	Roseburg Health Enterprises, Inc. dba SureCare HealthPlans	SureCare HealthPlans, Inc.
11/07/97	Amerifirst Insurance Company	Vencor Insurance Company
11/24/97	Massachusetts General Life Insurance Company	Conseco Life Insurance Company
12/01/97	Security of America Life Insurance Company	American General Life Insurance Company of Pennsylvania
12/08/97	Colonia Insurance Company	AXA Global Risks US Insurance Company
12/15/97	American Policyholders' Insurance Company	Villanova Insurance Company
12/16/97	Financial Security Assurance of Maryland, Inc.	ACA Financial Guaranty Corporation
12/31/97	Continental Western Life Insurance Company	EquiTrust Life Insurance Company
12/31/97	Glenbrook Life Insurance Company	Sears Life Insurance Company

Company Changes
Other changes, January 1997 - December 1997

Date	Name	Date	Name
Mergers			
01/01/97	John Adams Life Insurance Co. of America	09/30/97	Transport Life Insurance Company
04/01/97	Midamerica Mutual Life Insurance Company	10/20/97	PACC Health Plans
07/01/97	Munich American Reinsurance Company	10/20/97	PACC HMO
07/03/97	Munich Reinsurance Company (U.S. Branch)	10/30/97	Pacific Corinthian Life Insurance Company
08/05/97	Fidelity Nat'l Title Insurance Co. of California	12/22/97	West One Life Insurance Company
Redomestications			
01/01/97	Chubb Sovereign Life Insurance Company	08/19/97	American Life and Casualty Insurance Company
01/01/97	Vanguard Insurance Company	09/30/97	Occidental Life Insurance Company of North Carolina
01/10/97	NGL American Life Insurance Company	10/30/97	American Southern Insurance Company
03/11/97	Financial American Insurance Company	11/13/97	National Casualty Company
04/16/97	Gerling Global Life Reinsurance Company	11/14/97	Infinity Insurance Company
04/16/97	Professional Insurance Corporation	12/09/97	Financial Benefit Life Insurance Company
06/17/97	Massachusetts General Life Insurance Co.	12/15/97	American Policyholders' Insurance Company
06/20/97	Corporate Health Insurance Company	12/18/97	American Merchants Life Insurance Company
06/30/97	MML Bay State Life Insurance Company	12/23/97	Atlanta Specialty Insurance Company
06/30/97	Travelers Indemnity Company of America	12/31/97	Condor Insurance Company
07/15/97	Colonial Insurance Company of California	12/31/97	Universal Assurors Life Insurance Company
07/31/97	American Concept Insurance Company		
Withdrawals			
02/20/97	Manufacturers Life Insurance Company	09/16/97	Coventry Health and Life Insurance Company
03/25/97	Gulf Atlantic Life Insurance Company	12/16/97	American Western Life Insurance Company
07/21/97	Southern Cal. Physicians Insurance Exchange		

Rating organizations

American Association of Insurance Services

1035 S. York Road
Bensenville, IL 60106-3497
(312) 595-3225

Automobile Insurance Plans Service Office

302 Central Avenue
Johnston, RI 02919-4995
(401) 946-2310

P.O. Box 7917 (94120-7917)
120 Montgomery Street, Suite 200
San Francisco, CA 94104
(415) 765-6767
(800) 227-4659

Factory Mutual Service Bureau

1151 Boston-Providence Turnpike
P.O. Box 9102
Norwood, MA 02062
(617) 762-4300

Insurance Services Office, Inc.

7 World Trade Center
New York, NY 10048-1199
(212) 898-6000

450 Sansome Street, Suite 1500
San Francisco, CA 94111
(415) 391-6737

ISO Commercial Risk Services, Inc.

7 World Trade Center
New York, NY 10048-1199
(212) 898-6000

Mill & Elevator Rating Bureau

8501 W. Higgins Road, Suite 720
Chicago, IL 60631-2801

**National Council on
Compensation Insurance**

One Penn Plaza
New York, NY 10119
(212) 560-1000

750 Park of Commerce Drive
Boca Raton, FL 33431
(407) 997-4744

Oswego Towne Square
Nine Monroe Parkway, Suite 140
Lake Oswego, OR 97035
(503) 636-6232

National Crop Insurance Services

7301 College Boulevard, Suite 170
Overland Park, KS 66210
(913) 451-0980

Surety Association of America

100 Wood Avenue, South
P.O. Box 7600
Iselin, NJ 08830-0424
(201) 494-7600

Advisory organizations

Alliance of American Insurers

1501 Woodfield Road, Suite 400 West
Schaumburg, IL 60173-4980
(312) 490-8500

American Nuclear Insurers

Town Center, Suite 300S
29 South Main Street
West Hartford, CT 0617-2445
(203) 561-3433

Associated Aviation Underwriters

51 John F. Kennedy Parkway
Short Hills, NJ 07078
(201) 379-0800

Highway Loss Data Institute

1005 N. Glebe Road
Arlington, VA 22201
(703) 247-1600

Industrial Risk Insurers

Eastern Regional Office
85 Woodland Street
P.O. Box 5010 (06102-5010)
Hartford, CT 06105-1050
(203) 520-7370

Inland Marine Underwriters Association

111 Broadway, 15th Floor
New York, NY 10006
(212) 233-7958

Insurance Institute for Property Loss Reduction

73 Tremont Street, Suite 510
Boston, MA 02108-3910
(617) 722-0200

Insurance Research Council

1200 Harger Road, Suite 310
Oak Brook, IL 60521
(708) 572-1177

IRM

4401 Barclay Downs Drive
Charlotte, NC 28209
(704) 551-3000

ISO Data, Inc.

7 World Trade Center
New York, NY 10048-1199
(212) 898-6000

National Association of Independent Insurers

2600 River Road
Des Plaines, IL 60018-3286
(312) 297-7800

National Independent Statistical Service

3601 Vincennes Road
P.O. Box 68950
Indianapolis, IN 46268-0950
(317) 876-6200

Oregon Land Title Association, Inc.

Robinson Crossing
8857 S.W. Nimbus Drive
Beaverton, OR 97005
(503) 641-8019

Registered Mail Insurance Association

100 William Street
New York, NY 10038
(212) 425-1470
(800) 969-RMIA

Joint underwriting organizations

American Excess Insurance Association

Riverbend Executive Park
77 Hartland Street, Suite 400
East Hartford, CT 06108
(203) 528-2105

Foreign Credit Insurance Association

40 Rector Street, 11th Floor
New York, NY 10006
(212) 306-5000

Municipal Bond Insurance Association

c/o Municipal Insurers Service Corporation
455 Hamilton Avenue
Box 788
White Plains, NY 10602
(914) 681-1300

The National Flood Insurance Program

10101 Senate Drive
Lanham, MD 20706
(800) 638-6620
(800) 638-6580

Regional Field Office

420 5th Ave., South
Suite B4
Edmonds, WA 98020
(206) 672-0793

Pollution Liability Insurance Association

One East Wacker Drive
Chicago, IL 60601
(312) 467-4090

United States Aviation Underwriters

110 William Street
New York, NY 10038
(212) 349-2100

Pacific Coast Branch Office

244 California Street
San Francisco, CA 94115

Tables

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 1997 are not strictly comparable to 1997 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.

The permissible or expected loss ratios differ according to the organization and marketing methods used by each company, the line of business, and the particular coverage within a line. Fidelity and surety insurance companies, for instance, expect losses to be infrequent and the insurers have recovery rights. Title companies also provide a loss prevention service with infrequent losses expected.

The reports for property and casualty and life companies were obtained from the companies' *Annual Statements*, "Direct Business in the state of Oregon during 1997," as filed with the insurance commissioner. For informational purposes, the Oregon experience of non-authorized (unlicensed) insurance

companies is shown separately. ORS 735.410 allows a licensed "surplus lines" agent under certain circumstances to place business with companies other than those authorized by the insurance commissioner to transact business in Oregon. Since these companies are authorized by the regulator of some other state, or country, the NAIC receives their *Annual Statements*.

A list of authorized insurers is available on request from the Insurance Division. Data contained herein for fraternal, health care service contractors, mortgage guaranty and title companies have been manually compiled by the Information Management Division.

Summary of 1997 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	\$40,829,141	\$39,930,153	\$95,487	\$20,879,739	\$31,200,560	\$16,384,073	\$8,985,404	0.410
Allied lines	24,058,948	25,283,633	50,492	9,770,933	12,575,505	9,694,394	9,413,233	0.383
Crop multiple peril	3,644,863	3,647,894	0	384	1,105,912	1,675,973	645,793	0.459
Federal flood	6,542,305	5,494,111	0	3,845,059	7,593,808	7,752,750	736,171	1.411
Farmowners multiple peril	25,504,574	25,127,342	0	12,336,289	12,313,460	10,525,409	13,265,938	0.419
Homeowners multiple peril	280,230,602	271,256,322	1,416,481	148,366,027	157,040,364	141,512,638	70,744,984	0.522
Commercial multiple peril	134,003,944	131,991,408	12,560	65,356,619	81,951,401	77,830,622	39,189,636	0.590
Commercial liability	139,049,581	139,497,468	266,349	63,023,103	50,463,760	60,507,294	175,875,895	0.434
Mortgage	34,605,945	35,888,525	0	7,368,777	1,234,784	10,246,337	40,068,927	0.286
Ocean marine	20,000,636	19,905,648	3,713	5,833,535	7,592,968	8,756,651	13,441,787	0.440
Inland marine	71,550,661	69,953,348	125,417	31,516,857	32,836,082	34,355,564	24,383,751	0.491
Financial guaranty	3,327,796	1,819,607	0	25,031,860	(263)	(460,740)	9,601	(0.253)
Medical malpractice	35,603,894	35,755,461	501,790	32,504,371	20,820,169	15,724,287	102,011,700	0.440
Earthquake	25,926,016	24,882,267	137,507	13,191,796	37,820	178,765	783,773	0.007
Workers' compensation	592,701,936	582,821,103	79,190,685	72,556,328	362,881,894	372,265,543	2,427,786,792	0.639
Other liability	157,628,189	155,809,543	151,419	82,173,117	110,998,372	65,289,917	349,361,772	0.419
Products liability	12,141,561	12,326,609	24,167	5,134,402	3,632,938	5,528,751	44,137,016	0.449
Private passenger auto no-fault	130,791,888	129,521,210	1,400,156	37,352,551	85,069,826	89,969,626	50,905,089	0.695
Private passenger auto liability	745,608,956	735,386,019	10,657,892	218,085,640	469,965,837	460,172,443	540,768,128	0.626
Commercial auto no-fault	4,258,621	4,135,027	6,083	1,844,201	2,544,153	2,239,210	2,519,756	0.542
Commercial auto liability	145,555,215	143,841,258	85,378	63,477,332	84,842,542	87,764,929	160,769,768	0.610
Priv passenger auto phys damage	518,138,101	501,560,431	6,960,290	154,795,213	324,194,897	322,517,098	34,695,110	0.643
Commercial auto physical damage	56,143,630	54,642,678	53,934	24,163,769	37,207,274	37,803,152	6,392,649	0.692
Aircraft	16,627,346	15,703,693	0	5,688,207	8,129,757	14,735,779	16,610,056	0.938
Fidelity	6,537,811	6,875,913	769	3,461,541	6,619,553	6,157,356	3,430,519	0.895
Surety	40,043,729	39,591,727	753	22,611,123	10,946,854	10,440,672	11,173,810	0.264
Glass	0	0	0	0	0	0	0	0.000
Burglary & theft	1,052,004	1,007,259	403	542,010	160,788	112,706	129,708	0.112
Boiler & machinery	9,680,007	9,792,870	58	4,218,069	2,710,825	2,406,100	1,919,891	0.246
Credit	4,553,360	4,715,410	0	2,092,575	709,640	(279,692)	1,186,063	(0.059)
Aggregate write-ins for other lines	<u>36,163,748</u>	<u>30,523,150</u>	<u>0</u>	<u>41,086,118</u>	<u>17,873,481</u>	<u>16,736,543</u>	<u>21,067,509</u>	0.548
Total (excluding A&H)	3,322,505,008	3,258,687,087	101,141,783	1,178,307,545	1,945,254,961	1,888,544,150	4,172,410,229	0.580
Accident & health total	<u>187,787,664</u>	<u>183,437,559</u>	<u>174</u>	<u>22,723,261</u>	<u>140,382,699</u>	<u>148,869,388</u>	<u>41,563,650</u>	0.812
Property & casualty total **	<u>\$3,510,292,672</u>	<u>\$3,442,124,646</u>	<u>\$101,141,957</u>	<u>\$1,201,030,806</u>	<u>\$2,085,637,660</u>	<u>\$2,037,413,538</u>	<u>\$4,213,973,879</u>	0.592

*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 1997 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	\$875,886,295	\$597,966,148	\$127,947,682,152	\$2,325,890,139	\$640,539,431	\$473,909,765

Summary of 1997 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>\$3,322,505,008</u>	<u>\$3,258,687,087</u>	<u>--</u>	<u>\$1,945,254,961</u>	<u>\$1,888,544,150</u>	0.580
Health business						
Life companies	640,539,431	--	--	--	473,909,765	
Fraternal societies	1,981,435	1,958,449	--	876,311	--	
HMDIs ***	922,759,738	985,429,307	(481,262)	--	865,718,727	0.879
HMOs ***	--	2,573,968,455 ¹	(1,344,124)	--	2,348,589,072 ²	0.912
Property/casualty companies	187,787,664	183,437,559	--	140,382,699	148,869,388	0.812
Life business						
Life companies	875,886,295	--	--	**	--	
Fraternal societies	<u>16,653,978</u>	--	--	6,115,850	--	
Total life	<u>\$892,540,273</u>					
Annuities business						
Life companies	597,966,148	--	--	**	--	
Fraternal societies	<u>26,182,598</u>	--	--	21,806,347	--	
Total annuities	<u>\$624,148,746</u>					
Title business	<u>\$125,730,121</u>	<u>\$122,682,024</u>	<u>\$34,367,377</u>	<u>\$2,581,638</u>	<u>\$1,964,937</u>	0.016

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

** Life business and annuities business direct losses paid by life companies totaled \$2,325,890,139.

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

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

² Total medical and hospital expenses.

NOTE: Dashes indicate data not available

Hospital, medical and dental service or indemnity corporations (HMDIs)
Statement of revenue, expenses, and net worth

Company	Direct premium written	Premium earned	Other income	Net investment gain or loss	Claims incurred	Claim adjustment	Other HMDI expenses*
Advantage Dental Plan, Inc.	\$602,278	\$565,218	\$127,306	\$15,834	\$552,994	\$31,727	\$272,326
FamilyCare Health Plans	0	0	0	0	0	0	0
Klamath Medical Service Bureau dba KMSB	54,030,761	53,355,467	0	2,035,674	51,921,217	1,613,287	4,107,469
One Health Plan of Oregon, Inc.	0	0	235,064	57,455	0	0	336,152
Oregon Dental Service	95,945,803	95,849,747	(566,508)	4,827,221	85,051,935	2,857,411	5,693,666
Pacific Hospital Association dba Pacificsource Health Plans	80,238,668	80,085,578	(133,533)	3,485,966	70,543,592	1,175,736	10,421,931
Preferred Health Northwest, Inc	0	0	0	34,082	0	0	0
Prudential Hospital Association	0	0	0	56,555	0	0	0
Regence Blue Cross - Blue Shield of Oregon	642,845,054	706,810,155	(136,000)	50,161,473	615,005,514	28,478,402	72,343,585
Surecare Healthplans, Inc.	30,092,493	29,795,124	0	252,685	25,342,536	607,131	4,182,249
United Concordia Dental Plans of Oregon, Inc.	33,242	30,935	0	1,745	19,298	1,365	29,239
United Healthcare of Oregon, Inc.	329,258	302,949	0	86,119	237,985	10,395	43,075
Vision Care of OR, Inc abn Vision Service Plan	6,872,298	6,921,863	0	308,208	5,569,148	(28,546)	(51,185)
Walla Walla Valley Medical Service Corporation	9,436,786	9,389,348	(7,591)	418,015	9,375,982	1,332,243	1,060,696
Willamette Health Service, Inc.	<u>2,333,097</u>	<u>2,322,923</u>	<u>0</u>	<u>23,887</u>	<u>2,098,526</u>	<u>0</u>	<u>213,028</u>
Total	<u>\$922,759,738</u>	<u>\$985,429,307</u>	<u>(\$481,262)</u>	<u>\$61,764,919</u>	<u>\$865,718,727</u>	<u>\$36,079,151</u>	<u>\$98,652,231</u>

* Includes administrative and soliciting expenses.

NOTE: Klamath Medical Service Bureau, Regence Blue Cross-Blue Shield of Oregon, Surecare Healthplans, and Walla Walla Valley Medical Service Corporation premium numbers include Washington business.
Klamath Medical Service Bureau premium written in Oregon was \$53,616,916
Regence Blue Cross-Blue Shield of Oregon premium written in Oregon was \$682,442,425
Surecare Healthplans premium written in Oregon was \$29,819,748
Walla Walla Valley Medical Service Corporation premium written in Oregon was \$751,253

HMO annual results as of December 31, 1997

	Health Masters of Oregon, Inc.	Kaiser Foundation Health Plan of NW	Liberty Health Plan, Inc.	PacifiCare of Oregon	Providence Health Plan	QualMed Oregon Health Plan, Inc.	Regence Health Maintenance of Oregon	Regence HMO Oregon	SelectCare Health Plans
Revenues:									
1 Premium*	\$0	\$540,082,095	\$20,898,233	\$148,240,534	\$164,833,044	\$212,194,411	\$15,658,308	\$345,817,450	\$132,425,625
2 Fee for service	0	11,472,044	0	0	0	0	0	0	0
3 Title 18-Medicare	0	176,991,378	0	168,301,709	131,030,573	9,455,029	165,259	175,168,755	49,569,268
4 Title 19-Medicaid	0	42,463,351	0	(116,587)	46,945,222	0	2,349,633	157,559,688	22,463,433
5 Investment	75,302	91,190	52,633	3,523,150	4,467,837	7,451,677	2,525,685	19,445,376	2,090,991
6 Other health care related rev.	0	2,536,429	0	0	0	(1,178,605)	0	0	0
7 Other revenues	0	15,953,257	(20,950,866)	344,323	750,292	(5,478)	132,736	2,365,821	65,791
8 Total Revenues	<u>\$75,302</u>	<u>\$789,589,744</u>	<u>\$0</u>	<u>\$320,293,129</u>	<u>\$348,026,968</u>	<u>\$227,917,034</u>	<u>\$20,831,621</u>	<u>\$700,357,090</u>	<u>\$206,615,108</u>
Expenses:									
Medical and hospital									
9 Physician services	0	139,042,814	7,880,974	220,932,109	75,217,362	67,766,930	6,249,880	255,390,461	66,494,501
10 Other professional services	0	15,288,689	3,477,827	14,713,981	5,761,330	25,542,498	3,528,476	127,992,551	24,832,486
11 Outside referrals	0	54,806,347	0	0	0	0	0	0	9,091,891
12 Emergency room, out of area	0	24,337,039	196,765	8,076,503	11,842,734	0	448,314	12,159,292	5,458,441
13 Occp, depr & amortization	0	57,080,925	0	0	0	0	0	0	0
14 Inpatient	0	178,313,439	4,150,265	22,142,129	120,347,779	43,163,454	4,249,550	147,289,889	47,548,345
15 Incentive pool & WH adj.	0	0	13	8,323,421	25,925,984	0	(896,708)	(11,816,810)	0
16 Other medical	0	337,125,275	6,397,324	19,230,313	80,978,691	54,499,770	1,800,034	93,229,986	50,230,881
17 Subtotal	0	805,994,528	22,103,168	293,418,456	320,073,880	190,972,652	15,379,546	624,245,369	203,656,545
18 Reinsurance expenses	0	0	(21,632,538)	588,031	(1,107,977)	0	(19,000)	(1,236,273)	(691,622)
Less:									
19 Copayments	0	49,160,447	0	(64,336)	0	0	0	0	5,964,202
20 COB & subrogation	0	4,592,106	470,630	2,009,887	11,370,233	0	126,520	11,133,822	18,392,182
21 Subtotal	0	53,752,553	470,630	1,945,551	11,370,233	0	126,520	11,133,822	24,356,384
22 Total med. & hospital exp.	<u>\$0</u>	<u>\$752,241,975</u>	<u>\$0</u>	<u>\$292,060,936</u>	<u>\$307,595,670</u>	<u>\$190,972,652</u>	<u>\$15,234,026</u>	<u>\$611,875,274</u>	<u>\$178,608,539</u>
Administration									
23 Compensation	0	10,165,698	3,459,128	17,002,776	13,543,659	16,129,517	1,918,238	46,295,368	13,741,701
24 Interest expense	0	52,736	0	4,618	0	0	0	14,702	571,842
25 Occp, depr & amortization	0	2,489,050	310,879	2,161,938	4,858,594	4,558,045	251,410	8,044,937	2,659,908
26 Marketing	0	14,457,137	794,634	5,828,714	9,626,466	12,307,429	906,392	17,416,408	5,828,428
27 Other administrative expense	5,000	9,683,532	(4,564,641)	11,275,730	9,618,879	8,953,476	1,577,199	23,009,388	5,368,993
28 Total admin. expense	<u>\$5,000</u>	<u>\$36,848,153</u>	<u>\$0</u>	<u>\$36,273,776</u>	<u>\$37,647,598</u>	<u>\$41,948,467</u>	<u>\$4,653,239</u>	<u>\$94,780,803</u>	<u>\$28,170,872</u>
29 Total expenses	<u>\$5,000</u>	<u>\$789,090,128</u>	<u>\$0</u>	<u>\$328,334,712</u>	<u>\$345,243,268</u>	<u>\$232,921,119</u>	<u>\$19,887,265</u>	<u>\$706,656,077</u>	<u>\$206,779,411</u>
30 Income (loss)	<u>70,302</u>	<u>499,616</u>	<u>0</u>	<u>(8,041,583)</u>	<u>2,783,700</u>	<u>(5,004,085)</u>	<u>944,356</u>	<u>(6,298,987)</u>	<u>(164,303)</u>
31 Extraordinary item	0	0	0	0	0	0	0	0	0
32 Provision for taxes	26,620	0	0	(4,249,468)	0	4,141,154	478,164	252,142	0
33 Net income (loss)	<u>\$43,682</u>	<u>\$499,616</u>	<u>\$0</u>	<u>(\$3,792,115)</u>	<u>\$2,783,700</u>	<u>(\$9,145,239)</u>	<u>\$466,192</u>	<u>(\$6,551,129)</u>	<u>(\$164,303)</u>
Oregon assessable premium written (OR Ins Division)	\$0	\$397,513,592	\$20,898,233	\$139,800,868	\$161,247,756	\$206,587,729	\$0	\$345,817,450	\$113,112,778

* Premium reported as "direct premium earned." The following companies' premium numbers included Washington business: Kaiser Foundation Health Plan of the NW, PacifiCare of Oregon, Providence Health Plan, QualMed Oregon Health Plan, Regence Health Maintenance of Oregon, & SelectCare Health Plans.

Source: Annual Statements - Report #2: Statement of Revenue, Expenses and Net Worth and Schedule T.

Fraternal benefit societies
as of December 31, 1997

Company	Life insurance		Annuities		Health insurance		
	Direct premium	Benefits paid*	Consideration received	Benefits paid	Direct premium	Premium earned	Losses paid
Aid Association for Lutherans	\$5,846,490	\$2,537,207	\$13,179,348	\$12,234,229	\$1,331,181	\$1,305,831	\$371,195
Catholic Order of Foresters	161,816	3,802	143,848	51,205	0	0	0
Catholic Workman	1,910	795	0	0	0	0	0
Croatian Fraternal Union of America	19,006	3,145	0	0	574	0	1,211
Degree of Honor Protective Association	96,315	67,920	331,860	217,648	0	0	0
Independent Order of Foresters	1,723,089	1,204,954	727,873	1,373,425	4,510	4,510	6,607
Knights of Columbus	2,469,979	373,382	1,683,035	1,910,425	8,668	0	8,548
Lutheran Brotherhood	4,080,791	871,939	8,772,181	4,430,649	286,572	287,532	131,402
Mennonite Mutual Aid Association	76,727	3,500	495,875	470,264	262,385	264,925	161,935
Modern Woodmen of America	653,626	234,470	172,491	901,031	7,877	7,922	14,118
National Catholic Society of Foresters	76,701	36,140	56,849	0	0	0	0
National Fraternal Society of the Deaf	3,283	3,588	0	0	238	238	40
Neighbors of Woodcraft	416,152	40,177	206,112	0	77	77	0
Omaha Woodmen Life Insurance Society	160,227	49,045	8,363	11,502	4,681	4,693	141,773
Polish National Alliance of the U.S. of N.A.	4,720	9,791	0	0	0	0	0
Royal Neighbors of America	220,185	183,376	18,501	137,266	0	0	0
Slovene National Benefit Society	0	0	30,000	0	0	0	0
Sons of Norway	129,912	311,875	21,382	246	1,690	1,767	3,751
Travelers Protective Association of America	0	0	0	0	659	659	0
Order of United Commercial Travelers of America	7,260	1,325	0	0	69,433	77,405	35,038
Western Fraternal Life Association	17,755	4,064	65,000	493	0	0	0
Woman's Life Insurance Society	4,646	31,274	0	0	0	0	0
Woodmen of the World &/or Assured Life Assoc.	483,388	144,081	269,880	67,964	2,890	2,890	693
Total	<u>\$16,653,978</u>	<u>\$6,115,850</u>	<u>\$26,182,598</u>	<u>\$21,806,347</u>	<u>\$1,981,435</u>	<u>\$1,958,449</u>	<u>\$876,311</u>

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

Mortgage guaranty as of December 31, 1997

Company	Direct premiums written	Direct premiums earned	Dividends paid	Unearned premium reserves	Direct losses paid	Direct losses incurred	Direct losses unpaid
Amerin Guaranty Corporation	\$1,565,857	\$1,572,872	\$0	\$523,741	\$74,850	\$200,357	\$301,241
CMG Mortgage Insurance Company	282,122	279,904	0	3,528	0	(39,716)	5,726
Commonwealth Mortgage Assurance Company	4,068,759	3,814,857	0	461,903	143,920	628,506	878,532
Forestview Mortgage Insurance Company	0	6	0	0	0	0	11,224
GE Residential Mortgage Insurance Corp. of NC	1,239	1,655	0	842	0	(1,900)	0
General Electric Mortgage Insurance Corp. of NC	3,285	4,183	0	1,551	0	(1,663)	5,790
General Electric Mortgage Insurance Corporation	6,481,804	6,673,373	0	846,716	277,702	995,538	2,238,559
Mortgage Guaranty Insurance Corporation	10,554,909	11,395,060	0	2,615,306	303,758	7,290,413	32,987,617
PMI Mortgage Insurance Company	4,903,283	5,118,909	0	1,139,426	156,646	61,035	1,253,431
Republic Mortgage Insurance Company	1,876,372	1,971,951	0	353,707	154,141	367,722	775,041
Triad Guaranty Insurance Corporation	8,411	6,906	0	1,505	0	670	670
United Guaranty Credit Insurance Company	1,354	2,477	0	17,913	0	0	0
United Guaranty Mortgage Indemnity Company	0	67	0	0	3,500	3,500	0
United Guaranty Residential Insurance Company	4,839,722	5,021,216	0	1,388,902	122,467	744,651	1,570,472
Verex Assurance, Inc.	18,773	23,876	0	10,014	0	(628)	28,539
Total	<u>\$34,605,890</u>	<u>\$35,887,312</u>	<u>\$0</u>	<u>\$7,365,054</u>	<u>\$1,236,984</u>	<u>\$10,248,485</u>	<u>\$40,056,842</u>

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

Title insurance as of December 31, 1997

Company	Direct premium written	Direct premium earned	Other income	Direct losses paid	Direct losses incurred
Chicago Title Insurance Company	\$185	\$363,169	\$67,941	\$483,985	\$439,527
Chicago Title Ins. Co. of Oregon	22,917,039	22,056,698	4,806,788	336,218	374,480
Commonwealth Land Title Ins. Co.	46,643	84,066	10,957	15,435	(5,911)
Fidelity National Title Ins. Co. of CA	12,662,452	12,235,148	0	173,363	(547,337)
First American Title Ins. Co. of OR	31,975,504	31,099,516	10,722,570	836,720	788,966
Lawyers Title Insurance Corporation	2,131,734	2,102,777	0	47,626	55,759
Oregon Title Insurance Company	8,969,743	8,706,630	8,142,653	125,551	229,392
Stewart Title Guaranty Company	13,893,735	13,664,442	443	140,361	172,551
Ticor Title Insurance Company	19,174,026	18,508,535	7,052,570	115,969	117,297
Transnation Title Insurance Co.	<u>13,959,060</u>	<u>13,861,043</u>	<u>3,563,455</u>	<u>306,410</u>	<u>340,213</u>
Total	<u>\$125,730,121</u>	<u>\$122,682,024</u>	<u>\$34,367,377</u>	<u>\$2,581,638</u>	<u>\$1,964,937</u>

Oregon surplus lines writing, 1996 and 1997

Name	1996 premium	1997 premium
Sedgwick James of Oregon	\$8,247,183	\$6,732,386
J&H Marsh & McLennan, Inc. ¹	4,571,349	6,660,816
Aon Risk Services, Inc. of Oregon	3,930,289	6,071,835
Robert J. Wood & Company, Inc.	2,143,619	4,271,222
Johnson & Higgins of Oregon, Inc.	2,873,559	3,266,858
Kenneth I. Tobey, Inc.	1,843,632	3,024,895
Independent Insurance Wholesalers	3,273,073	2,815,784
Alexander & Alexander, Inc.	1,688,879	2,792,970
Indemnity Excess & Surplus Agency	2,276,027	2,607,433
Sullivan & Associates of Oregon	0	2,032,652
McFall General Agency, Inc.	2,025,265	1,913,075
Crump Insurance Services Northwest, Inc.	1,528,773	1,705,556
Groninger & Co., Inc.	1,543,700	1,671,227
Willis Corroon Corporation of Eugene	1,129,441	1,662,327
Paula D. Jordan	352,259	1,308,046
Ron Rothert Insurance, Inc.	1,267,294	1,274,633
Acordia of Oregon, Inc. ²	1,036,554	1,224,493
Durham & Bates Agencies, Inc.	1,104,498	1,198,960
Thomas E. Barber	1,269,186	1,197,366
Valley Pacific, Inc.	1,711,372	971,452
Kelly & Elliott, Ltd.	738,197	925,305
Swett & Crawford Corporation	0	887,784
Primex Insurance Brokers, Inc.	847,615	734,509
DVUA Oregon, Inc.	3,659,528	713,817
Emery & Karrigan, Inc.	635,746	663,423
Willis Corroon Corp. of Portland	248,394	659,418
Herman R. Deiss	0	616,543
J.B.L. & K. Insurance	601,631	496,161
Granite Insurance Services, Inc.	295,384	425,153
Campbell, Galt & Newlands, Inc.	650,088	386,425
Environmental Insurance Agency, Inc.	187,932	373,694
George Newman	48,680	262,810
VanBeurden Hayes Insurance Services, Inc.	49,098	202,626
Insurance Marketing Corporation of Oregon	194,894	135,504
James R. Cole	86,486	97,506
Keelson Partners	135,774	78,919
Robert J. Kokesh & Company	135,932	65,723
Fullerton & Company, Inc.	0	44,144
Darus Peake	27,953	16,899
Arnold, Bruce & Doerfler	40,001	15,102
Gales Creek Insurance Services, Inc.	11,381	12,082
Maguire Insurance Agency, Inc.	3,000	7,806
Stewart Smith West, Inc.	1,626,257	6,382
W.B. Adams Co.	22,537	5,010
Sullivan, Kelly & Associates	<u>1,203,430</u>	<u>(19,170)</u>
Totals	<u>\$55,265,890</u>	<u>\$62,217,561</u>

¹ Was Marsh & McLennan, Inc.

² Was Acordia/Pettit-Morry Co of Oregon

Note: Four companies which contributed \$3,027,563 to the 1996 premium total were removed from this list because they had no premiums in 1997.

Risk retention groups
as of December 31, 1997

Company	Premium written	Dividends
AAOMS National Insurance Company, a Risk Retention Group	\$117,503	\$0
American Association of Orthodontists Ins. Co., RRG	27,741	0
American Contractors Insurance Company Risk Retention Group	(574,696)	0
American Feed Industry Insurance Company Risk Retention Group	12,796	0
American Safety Risk Retention Group, Inc.	34,856	0
AMHS Insurance Company Risk Retention Group	1,462,000	0
ARDI Exchange, a Risk Retention Group	18,439	0
Attorney's Liability Assurance Society, Inc. RRG	2,096,107	0
College Liability Insurance Company, Risk Retention Group	293,480	0
Consumer Specialties Insurance Company, a Risk Retention Group	23,444	1,064
CPA Mutual Insurance Company of America Risk Retention Group	151,570	15,879
Dependable Protective Mutual Risk Retention Group	1,967	0
Doctors Insurance Reciprocal (Risk Retention Group)	1,179	0
Evergreen USA Risk Retention Group Inc.	7,115	0
Financial Institutions Reserve Risk Retention Group	5,000	0
Mental Health Risk Retention Group, Inc.	46,064	3,366
National Home Insurance Company, Risk Retention Group	120,848	0
National Service Contract Insurance Company Risk Retention Group	48,835	0
Nonprofits Mutual Risk Retention Group, Inc.	12,429	0
OOIDA Risk Retention Group, Inc.	23,387	0
Ophthalmic Mutual Insurance Company Risk Retention Group	1,845	100
Paratransit Risk Retention Group Insurance Company	0	0
Podiatry Insurance Company of America, Risk Retention Group	250,717	3,728
Preferred Physicians Medical Risk Retention Group	5,225	0
Psychiatrists' Risk Retention Group	0	0
Reciprocal Alliance (Risk Retention Group)	83,167	0
Residential Insurance Company, Inc. a Risk Retention Group	10,601	0
Terra Insurance Company (a Risk Retention Group)	101,181	8,091
United Educators Insurance Risk Retention Group	679,323	0
Western Pacific Mutual Insurance Company, Risk Retention Group	<u>34,545</u>	<u>0</u>
Total	<u>\$5,096,668</u>	<u>\$32,228</u>

Historic premium written, all business
calendar years 1991-1997

	CY91	CY92	CY93	CY94	CY95	CY96	CY97
P&C	\$2,654,319,967	\$2,763,114,919	\$2,877,893,704	\$2,964,792,636	\$3,098,718,913	\$3,226,596,666	\$3,322,505,012
Life	625,012,639	652,527,449	700,547,185	804,706,531	820,473,457	868,560,693	875,886,295
Annuities	676,812,295	633,182,299	570,437,544	684,463,115	685,317,681	621,105,877	597,966,148
Life A&H	528,553,770	487,980,313	529,142,609	527,712,080	541,821,698	559,026,063	640,539,431
P&C A&H	26,210,927	86,033,944	80,558,781	66,052,144	102,712,847	130,232,797	187,787,664
HCSC*	1,755,390,515	1,931,063,504	2,097,810,471	2,238,099,328	2,345,184,794	3,471,757,781	3,496,728,193
Fraternal	36,454,031	46,642,607	40,639,186	41,296,313	42,757,059	41,323,058	44,818,011
Title	59,708,099	86,894,872	106,545,170	101,044,809	90,981,586	119,972,062	125,730,121
Surplus Lines	71,270,546	73,579,901	75,788,119	68,199,509	71,655,421	58,293,453	62,217,561
Risk retention	<u>6,408,788</u>	<u>3,210,484</u>	<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>
Total	<u>\$6,440,141,577</u>	<u>\$6,764,230,292</u>	<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>

* 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 Annual Report 1997

Part II