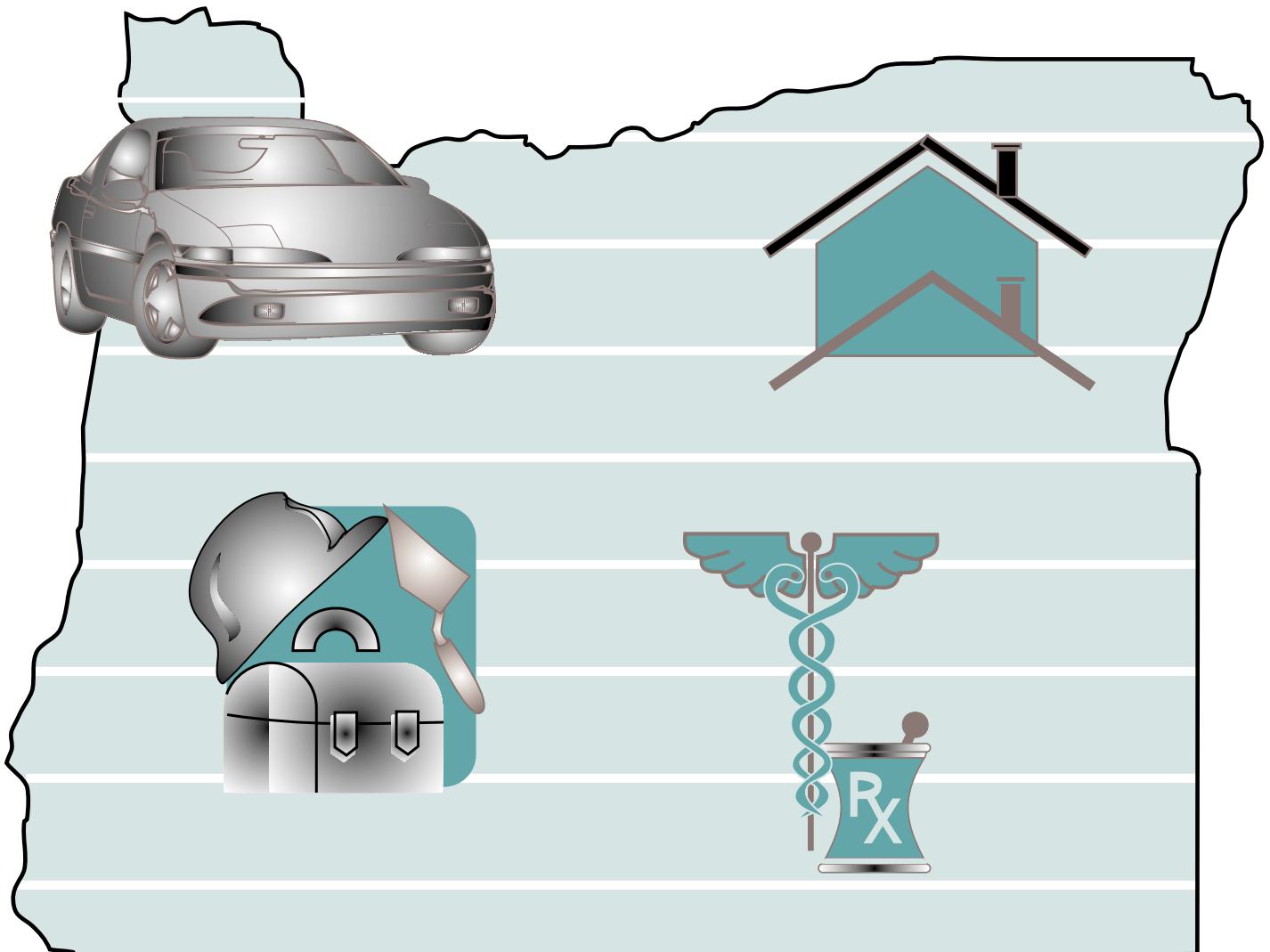


Insurance Division Annual Report 2001



Part I

Research & Analysis Section
Oregon Department of Consumer
& Business Services



January 2003

Insurance Division Annual Report Calendar Year 2001 Part I

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January 2003

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Introduction

The *Insurance Division Annual Report 2001* 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 the financial results of all insurance companies, for each line of insurance.

Part II

Part II includes detailed financial results for property and casualty and life insurance companies by insurer and by line of insurance. Because of this detail, Part II is over 230 pages and interested parties are encouraged to view it on the Internet. Paper reprints are available by request for the cost of copying.

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:

http://www.cbs.state.or.us/external/imd/cbs_ins.html

Visit the Oregon Insurance Division website at:

<http://www.oregoninsurance.org>

2001 Legislative Highlights

Introduction

The 2001 Oregon Legislative Assembly enacted significant pieces of insurance legislation during this session. Two of the bills (SB 268 and 269) implement changes in insurance regulation occurring because of the federal *Gramm-Leach-Bliley Act*, which became law in November 1999. This federal legislation authorizes joint participation in and ownership of banking, insurance and securities enterprises, which had been prohibited under Depression-era laws.

SB 268, which follows the Model Producer Licensing Act adopted by the National Association of Insurance Commissioners (NAIC), facilitates reciprocal interstate licensing of insurance producers. SB 269 conforms existing privacy protections to the federal law, allows the sharing of confidential regulatory information among regulators and recognizes financial holding companies. SB 267 strengthens financial regulation of insurance companies.

Insurance legislation passed in the 2001 session is summarized below. Unless otherwise specified, the effective date of a bill is Jan. 1, 2002. A bill also may have one or more operative dates that apply to one or more sections, in addition to its effective date. An operative date is the date on which the affected section or sections first apply.

Laws enacted in the 2001 session are identified by their bill numbers and their Oregon Laws chapter numbers (ch 318, for example).

SB indicates a Senate bill and HB indicates a House bill. DCBS is the Department of Consumer and Business Services.

Insurance Regulation Generally

SB 267 — Financial and solvency regulation of insurers (ch 318)

SB 267 strengthens and standardizes regulatory oversight of the financial condition of insurers, health care service contractors (including health maintenance organizations) and multiple employer welfare arrangements. The bill:

- Increases minimum statutory requirements for capitalization of insurers and health care service contractors.
- Authorizes adoption of risk-based capital standards for health care service contractors (similar standards already apply to insurance companies generally).
- Standardizes statutory accounting principles.
- Conforms regulation of reinsurance to NAIC standards.

- Allows the DCBS director to assess member employers of a multiple employer welfare arrangement in the event of liquidation in order to cover claims.

SB 268 — Licensing of insurance agents (ch 191)

SB 268 facilitates interstate licensing of insurance agents and otherwise updates Oregon's laws governing the licensing of insurance agents, adjusters and consultants. The bill was enacted in response to the federal *Gramm-Leach-Bliley Act*, which requires states to simplify their interstate licensing processes.

SB 268 also carries out another federal law (18 U.S.C. 1033), which permanently bars a person who has been convicted of a felony involving dishonesty or a breach of trust from involvement in the business of insurance unless the state insurance authority grants a consent to that person.

SB 268 took effect July 1, 2001. The parts of the bill dealing with agent licensing became operative Jan. 1, 2002.

SB 269 — Privacy; sharing confidential information; financial holding companies (ch 377)

SB 269 amends existing provisions of the Oregon Insurance Code that regulate privacy practices of insurers, agents and others licensed under the Insurance Code, in order to conform state insurance law to requirements of the *Gramm-Leach-Bliley Act*. These provisions apply to insurance used primarily for personal, family or household needs. The bill also amends statutes governing insurance, financial institutions and securities businesses to enable state regulators to share confidential information with state, federal and foreign regulators. Finally, the bill specifically recognizes the existence of financial holding companies, an entity established by the *Gramm-Leach-Bliley Act*.

This bill took effect June 15, 2001.

HB 3126 — Group life and health insurance; use of policy forms; modification of health policies; notice of cancellation of health insurance for nonpayment of premium (ch 943)

HB 3126:

- Grants discretion to the DCBS director to allow group life and health insurance to be offered to additional types of groups if the policies meet standards specified in statute. It also authorizes the DCBS director to approve out-of-state group insurance policies if the director determines that they meet substantially similar standards in their home states.
- Authorizes the DCBS director to modify by rule filing requirements for specific insurance policy forms.

- Authorizes the DCBS director to distinguish a modification of a health insurance policy from a discontinuance for the purpose of advance notice. A modification is to be defined by rule.

- Requires insurers to provide a grace period of at least 10 days prior to cancellation of individual or group health insurance, and to provide notice to the insured prior to cancellation.

HB 3126 took effect Aug. 9, 2001.

SB 114 — Genetic privacy (ch 588)

SB 114 amends statutes governing the use of genetic testing and genetic privacy in research and in a number of other subject areas, including insurance. The changes affecting insurance prohibit the use of genetic information about a blood relative to reject, deny, limit, cancel or otherwise affect any insurance policy. Currently, an insurer is prohibited from using genetic information for such purposes in connection with a policy for hospital or medical expenses. This prohibition continues.

SB 114 took effect June 25, 2001.

SB 609 — Insurer self-evaluative audits (ch 329)

SB 609 makes an “insurance compliance self-evaluative audit document” privileged information that is not discoverable or admissible as evidence in a civil, criminal or administrative proceeding, with exceptions. These self-evaluative audit documents are prepared by insurers in connection with voluntary internal evaluations and audits that insurers undertake to identify or prevent violations of insurance laws. The privilege does not apply in proceedings begun by the Attorney General relating to Medicaid fraud. Disclosure may be required by a court under certain specified circumstances. The bill preserves the authority of the DCBS director to acquire any such audit document, to examine any person in connection with the document and to take enforcement actions.

SB 831 — Internal governing of mutual insurers (ch 352)

SB 831 institutes a two-thirds supermajority voting requirement for a merger, sale or demutualization of a mutual insurer (an insurer that does not issue stock and is owned by its policyholders); authorizes the board of directors to condition submission of a proposed merger, acquisition, demutualization or other activity on any legal basis (such as an affirmative vote requirement exceeding a majority); requires bylaws to be submitted to the DCBS director, and specifies the contents of bylaws.

SB 977 — Liquidation, default of insurers (ch 974)

SB 977 authorizes the court overseeing liquidation of an insurer in receivership to establish a deadline date for filing claims on the insurer; limits coverage of the Oregon Insurance Guaranty

Association (OIGA) to exclude persons who have a net worth exceeding \$25 million; changes the statutory priority of claims (ORS 734.360) in liquidations of insurers, placing claims of the federal government after administrative costs of receivership and claims of policyholders and the OIGA; and provides that the Workers’ Benefit Fund may pay an injury claim to an injured worker when the insurer who is supposed to pay the claim defaults.

HB 2112 — Electronic transactions (ch 535)

HB 2112 adopts the *Uniform Electronic Transactions Act* for Oregon, to govern electronic records and electronic signatures relating to transactions relating to business, commercial or governmental affairs. The uniform act establishes definitions of terms and prescribes procedures for electronic transactions.

HB 2112 took effect June 22, 2001.

Health Insurance

HB 3040 — Patient protection, health insurance (ch 266)

HB 3040 provides the following consumer protections in connection with health insurance:

- Continuity of care. Enables an individual who is insured by a policy that allows access to a limited panel of health care providers to continue care with a specific provider in certain circumstances after the provider has left the panel.

- Referrals to specialists. Provides that if a health benefit plan requires a referral by a physician as a condition for coverage for specialty care services, the insurer must establish a procedure for standing referrals so that an insured will not need to obtain a referral for each appointment with the specialist.

- Network adequacy. Requires the DCBS director to establish uniform requirements for reporting on the scope and adequacy of networks by rule. Also specifically prohibits material misrepresentation of the provider network of an insurer offering managed health insurance or preferred provider insurance.

- External review. Requires each insurer offering a health benefit plan to offer external review of its decisions by an independent review organization when the decisions concern the medical necessity of a service or treatment; whether a service or treatment is experimental or investigational; or whether a treatment is an active course of treatment for purposes of continuity of care. A limited right of action is available to an insured in connection with this right. External review is binding on the insurer and the insured only if the health benefit plan so provides. If

a plan provides that the insurer will not be bound, external review is still available and a private right of action is available to the insured for harm occurring to the insured because of the insurer's refusal to follow an independent review organization's determination.

HB 3040 took effect Jan. 1, 2002, but did not become operative until July 1, 2002.

SB 894 — Prompt payment (ch 747)

SB 894 requires that when a claim under a health benefit plan is submitted to an insurer by a provider on behalf of an enrollee, the insurer must pay a claim or deny the claim not later than 30 days after the date on which the insurer receives the claim.

The insurer may request additional information, but the time for doing so and for acting on the information are similarly limited. An insurer that fails to pay a claim to a provider within the established timelines must pay simple interest of 12 percent per annum on the unpaid portion.

SB 894 took effect July 5, 2001, but did not become operative until Jan. 1, 2002.

HB 2763 — Prescription drugs; identity card (ch 549)

HB 2763 requires an insurer that provides coverage for prescription drugs on an outpatient basis or an administrator of a health benefit plan to issue its enrollees a prescription drug identification card or other technology for use in claims adjudication, or to use the insurer's or administrator's general identification card for prescription claims adjudication. This bill is intended to reduce or eliminate delay owing to insurers' requests for claims information and the resulting multiple phone calls between pharmacists and insurers.

The requirement under this bill takes effect July 1, 2003.

SB 286 — Coverage of diabetes services (ch 742)

SB 286 requires group health benefit plans to cover costs of supplies, equipment and diabetes self-management programs associated with treatment of various types of diabetes.

HB 2519 — Oregon Health Plan (ch 898)

HB 2519 governs access to basic health care services provided through Medicaid, the children's health insurance program and subsidized private health insurance. The bill directs the Department of Human Services to apply to the federal government for waivers to obtain federal matching money for public subsidies for low income Oregonians to make private health insurance more accessible.

HB 2519 took effect Aug. 2, 2001.

HB 2084 Coverage of retired local government employees (ch 604)

HB 2084 prohibits a local government and a health care insurer from creating for health insurance coverage a group of retired employees and their dependents that is separate from the covered group of current officers and employees of the local government. The bill also prohibits a health insurer from establishing a higher premium for retired employees and their dependents than for officers and employees of the local government, and requires that the retired employees be charged a premium according to an appropriate membership category.

SB 103 — Oregon Medical Insurance Pool; regulation; portability coverage (ch 356)

SB 103 deletes the examination and regulatory authority of the DCBS director with respect to the Oregon Medical Insurance Pool (OMIP), the applicability of statutorily-mandated health benefits to OMIP coverages and the DCBS director's authority to approve plans and rating and renewability requirements, and similar limitations on coverage. The bill also establishes the methods by which the OMIP board of directors must determine medical and portability risk rates, replacing current requirements.

Casualty Insurance

SB 325 — Liability coverage of higher education students (ch 370)

SB 325 authorizes institutions of higher education to provide liability insurance coverage for students involved in off-campus experiential activities, such as student teaching and internships.

SB 325 took effect July 1, 2001.

SB 440 — Fire and homeowner policies; notice of coverage limitations (ch 85)

SB 440 limits the scope of the decision in *Fleming v. United States Automobile Assn.*, 329 Or 449, 988 P2d 378 (1999), in which the Oregon Supreme Court held that a provision in a fire insurance policy was ineffective because it wasn't prominently marked as required by state law. *Fleming* applied the requirement to a package insurance policy that included fire and other coverages. SB 440 specifically limits the statutory requirement to policies that cover fire only.

Neither *Fleming* nor SB 440 changes the principle that insurers are responsible for ensuring that their policy forms comply with Oregon statutes. SB 440 does not require an insurer to refile forms that were filed and approved after the *Fleming* decision.

SB 441 — Use of driving record abstracts by insurers (ch 327)

SB 441 authorizes insurers, for the purpose of offering and determining premium discounts to good drivers, to use abstracts of Driver and Motor Vehicle Services nonemployment driving records containing information about accidents, tickets, suspensions and other matters that are older than three years.

SB 485 — Workers' compensation (ch 865)

SB 485 makes a number of changes in workers' compensation law, indirectly affecting insurance law. The bill redefines the term "preexisting condition," authorizes spending money from the Workers' Benefit Fund to pay supplemental temporary disability benefits for workers employed in more than one job, and authorizes the DCBS director to resolve disputes about whether medical services that are provided to a person should be paid by the person's health insurance coverage or workers' compensation insurance.

SB 485 took effect July 30, 2001.

SB 597 — Liability for use of motor vehicles (ch 291)

SB 597 provides that a person who makes a motor vehicle available to another person for a test drive is not liable for injury, death or damage arising from the use of the motor vehicle unless the person providing the vehicle is negligent in maintaining the vehicle or in making it available and the harm results from the negligence. This bill does not amend the Insurance Code but affects liability and insurance coverage for that liability.

HB 2972 — Health care payment fraud; casualty insurance (ch 556)

HB 2972 establishes that an insurer of a casualty insurance policy may be a victim of a false claim for a health care payment for purposes of ORS 165.690, 165.692 and 165.694, which make a false claim for health care payment a crime. The crime currently applies to claims made in connection with health insurance, self-insured health benefit plans, state or federal medical assistance programs and workers' compensation insurance.

Insurance Division Organization 2001

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 Telephone: (503) 947-7980

The Administrative Services & Operations Section 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

Telephone: (503) 947-7982

The Company Regulation Section is responsible for 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 \$50 million in insurance taxes.

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

Consumer Protection Section

Telephone: (503) 947-7984

The Consumer Protection Section assists insureds in resolving complaints against insurers and agents, investigates allegations of violations of Oregon law against insurers and agents, performs market conduct exams on domestic and foreign insurers, develops proactive public education materials and programs to empower citizens to become educated consumers, develops policy recommendations for legislative and administrative actions to correct inequities in the insurance marketplace, provides broad surveillance of the insurance marketplace through market analysis, and takes other actions necessary to protect the insurance-buying public.

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

Rates & Forms Section

Telephone: (503) 947-7983

The Rates & Forms Section receives more than 37,000 insurance policies and related forms and more than 2,100 rate filings 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 2001

Dedicated Program Revenue	
Insurance Premium Tax	\$144
Other Business Licenses & Fees	6,197,107
Other Charges for Service	1,166,424
Interest Income	5,784
Cash/Investment Income	176,196
Excess Fund Interest	221,835
Gain/(Loss) Sale of Investment	0
Federal Revenue (SHIBA)	261,153
Other Sales Income	5,867
Donations and Grants	0
Other Revenue	54,034
Fire Marshal Tax	<u>5,036,057</u>
Total Dedicated Program Revenue	<u>\$13,124,601</u>
General Fund Revenue	
Insurance Taxes	
Premium Tax Risk Retention	17,593
Gross Premium Tax	(703,853)
Ocean Marine Underwriting	68,738
Retalitory Taxes	47,153,515
Surplus Line Premium Tax	1,591,994
Excess Fund Interest	383,891
Fire Marshal Tax	64
Fines & Forfeitures	365,110
Interest Income	261,292
Other Revenue	<u>(239,432)</u>
Total General Fund Revenue	<u>\$48,898,912</u>
Transfer to General Fund	<u>(\$48,898,912)</u>
Expenditures	
Personal Services & Services & Supplies	6,740,782
Capital Outlay	<u>0</u>
Total Expenditures	<u>\$6,740,782</u>
Excess of Revenues Over (Under) Expenditures	\$6,383,819
Other Financing Sources (Uses)	
Transfer to Public Safety Std.	0
Transfer to State Police	(5,087,591)
Intrafund Transfers-In	446,711
Intrafund Transfers-Out	<u>(1,650,788)</u>
Total Other Financing Sources (Uses)	<u>(\$6,291,668)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$92,151
Beginning Fund Equity 6/30/00	<u>\$4,493,917</u>
Fund Balance Adjustment	0
Ending Fund Equity 6/30/01	<u>\$4,586,068</u>

The Market Conduct unit is part of the Consumer Protection Section of the Oregon Insurance Division. Its purpose is to protect consumers by performing market conduct examinations of foreign and domestic insurance companies doing business in Oregon. These examinations determine the company's ability to fulfill and manner of fulfillment of its obligations, the nature of its operations, whether it has given proper treatment to policyholders, and its compliance with the Oregon Insurance Code and Administrative Rules. All types of insurers are examined including life, health, property,

casualty, workers' compensation, title, and other specialty lines.

The examinations are conducted primarily in the insurance company offices. Market Conduct field examiners evaluate company policies, procedures, and random samples of various types of records to verify compliance with established standards that are based on the Oregon Insurance Code and Administrative Rules. A public report of the examination findings is published upon completion of the examination.

Market conduct examinations
Completed, January 2001 - December 2001

Domestic companies	
Kaiser Regence Bluecross Blueshield Regence HMO Regence Life & Health PacificSource Grocers Insurance Co.	Providence Insurance Co. Willamette Dental Western Grocers Trust Western Grocers Trust (Follow Up) Liberty Northwest State Accident Insurance Fund
Other domestic organizations	
Oregon Medical Insurance Pool	
Foreign companies	
Allstate Indemnity	Allstate Insurance

Company changes
New authorizations, January 2001 - December 2001

Date	Name	Location
01/16/01	Hallmark Insurance Company, Inc.	Milwaukee, WI
02/02/01	Christian and Missionary Alliance (The)	Colorado Springs, CO
02/06/01	Sentinel Insurance Company, Ltd.	Hartford, CT
02/16/01	National Christian Community Foundation (The), DBA The Northwest Christian Community Foundation (The)	Seattle, WA
03/15/01	Timberland States Insurance Company	Beaverton, OR
03/16/01	Admiral Indemnity Company	Wilmington, DE
03/23/01	First Standard Security Insurance Company	Dover, DE
03/27/01	Gencare Dental Plans, Inc.	Salem, OR
05/03/01	Dealers Assurance Company	Upper Arlington, OH
05/03/01	OMNI Indemnity Company	Chicago, IL
05/03/01	Young America Insurance Company	Dallas, TX
05/04/01	GMAC Direct Insurance Company	Hazelwood, MO
05/11/01	Brookwood Insurance Company	Coralville, IA
05/21/01	Mennonite Home of Albany, Inc.	Albany, OR
05/22/01	Morrison Center, DBA Morrison Center Child & Family Services	Portland, OR
05/22/01	National Spiritual Assembly of the Baha'is of the United States	Evanston, IL
05/24/01	MGIC Indemnity Corporation	Milwaukee, WI
06/05/01	Far East Broadcasting Company, Inc.	La Mirada, CA
06/25/01	Amnesty International of the U.S.A., Inc.	New York, NY
09/07/01	Portland Opera Association, Inc.	Portland, OR
09/13/01	Underwriters for the Professions Insurance Company	Denver, CO
09/14/01	Planned Parenthood Federation of America, Inc.	New York, NY
09/14/01	Portland Rescue Mission Ministries, Inc.	Portland, OR
09/17/01	Oregon Lions Sight and Hearing Foundation, Inc.	Portland, OR
09/18/01	American Lung Association of Oregon, Inc.	Portland, OR
09/25/01	Loaves & Fishes Centers, Inc.	Portland, OR
09/26/01	Nature Conservancy (The)	Arlington, VA
09/26/01	Salem Hospital Foundation	Salem, OR
09/28/01	Sumitomo Marine & Fire Insurance Company of America	New York, NY
10/02/01	Oregon Jewish Community Foundation (The)	Portland, OR
10/05/01	PHP Health Plans, Inc.	Klamath Falls, OR
10/16/01	Roman Catholic Bishop of the Diocese of Baker	Bend, OR
11/05/01	Accredited Surety and Casualty Company, Inc.	Winter Park, FL
12/07/01	Cherokee Insurance Company	Port Huron, MI
12/10/01	Pacific Conference Foundation	Milwaukie, OR
12/20/01	Nipponkoa Insurance Company of America	New York, NY
12/24/01	Service Insurance Company	Bradenton, FL

Company changes
Terminated, January 2001 - December 2001

Company	Date	(as of 12/31/2001) Reason	Assets	Liabilities
Acceleration National Insurance Company	01/19/01	suspended	NA	NA
	11/27/01	receivership		
International Indemnity Company	01/30/01	suspended	NA	NA
Lumber Mutual Insurance Company	03/09/01	suspended	\$108,131,728	\$101,821,128
Electric Mutual Benefit Association	03/15/01	suspended	\$13,745	\$522
Great States Insurance Company	04/10/01	suspended	NA	NA
HIH America Compensation & Liability Insurance Company	04/10/01	suspended	NA	NA
Amwest Surety Insurance Company	06/21/01	suspended	NA	NA
Phico Insurance Company	09/05/01	suspended	NA	NA

NA = Not available

Company changes
Name changes, January 2001 - December 2001

Date	Old name	New name
01/01/01	Phoenix American Life Insurance Company	GE Group Life Assurance Company
01/01/01	Sisters of Providence in Oregon	Providence Health Systems - Oregon
01/01/01	The College Life Insurance Company of America	Americo Financial Life and Annuity Insurance Company
01/01/01	Virginia Insurance Reciprocal (The)	Reciprocal of America
01/05/01	CompDent Insurance Company	CompBenefits Insurance Company
01/08/01	Security First Life Insurance Company	MetLife USA Investors Insurance Company
01/16/01	NAC Reinsurance Corporation	XL Reinsurance America Inc.
01/30/01	Anthem Life Insurance Company, dba Anthem Alliance Health Insurance Company	Anthem Alliance Health Insurance Company
02/05/01	Cova Financial Services Life Insurance Company	MetLife Investors Insurance Company
02/15/01	Nationwide Insurance Company of America	Nationwide Insurance Company of America, dba Discover Financial Services Auto & Home Insurance Company
02/22/01	London Assurance of America Inc. (The)	XL Capital Assurance Inc.
03/01/01	American Fidelity & Liberty Insurance Company	AF&L Insurance Company
03/01/01	PFL Life Insurance Company	Transamerica Life Insurance Company
03/08/01	Life Reassurance Corporation of America	Swiss Re Life & Health America Inc.
03/13/01	Waterford Insurance Company	Nationwide Affinity Insurance Company of America
03/19/01	Allegiance Insurance Company	Horace Mann Property & Casualty Insurance Company
03/28/01	Forestview Mortgage Insurance Company	Allstate Fire and Casualty Insurance Company
04/01/01	Nippon Fire & Marine Insurance Company, Limited (The)	NIPPONKOA Insurance Company, Limited
04/02/01	AXA Nordstern Art Insurance Corporation	AXA Art Insurance Corporation
05/14/01	United Life Insurance Company	Americom Life & Annuity Insurance Company
05/24/01	Healthsource Insurance Company	Berkshire Life Insurance Company of America
06/01/01	Heritage Mutual Insurance Company	ACUITY, A Mutual Insurance Company
06/25/01	Phoenix Home Life Mutual Insurance Company	Phoenix Life Insurance Company
06/30/01	Chrysler Insurance Company	DaimlerChrysler Insurance Company
07/01/01	Hallmark Insurance Company, Inc.	United National Specialty Insurance Company
07/01/01	Minnesota Fire and Casualty Company	Harleysville Insurance Company
07/13/01	BluePaw Family Pet Insurance Company	TruePaws Family Pet Insurance Company
07/13/01	Healthcare Underwriters Mutual Insurance Company	Medical Liability Mutual Insurance Company
08/08/01	Seven Hills Insurance Company	Alea North America Insurance Company
08/22/01	American Spirit Insurance Company	Great American Spirit Insurance Company
08/22/01	Eagle American Insurance Company	Great American Security Insurance Company
08/23/01	United Heritage Mutual Life Insurance Company	United Heritage Life Insurance Company
08/28/01	CGU Insurance Company	OneBeacon Insurance Company
08/28/01	General Accident Insurance Company	Pennsylvania General Insurance Company
08/31/01	Commercial Union Insurance Company	OneBeacon America Insurance Company
09/01/01	Fremont Industrial Indemnity Company	Fremont Indemnity Company
09/06/01	CGU Insurance Company of New Jersey	Camden Fire Insurance Association (The)
09/27/01	Great Lakes Life & Health Insurance Company	Renaissance Life & Health Insurance Company

Company changes (continued)
Name changes, January 2001 - December 2001

Date	Old name	New name
10/01/01	Travelers Indemnity Company of Missouri (The)	Travelers Commercial Casualty Company
10/31/01	Nobel Insurance Company	Stonington Insurance Company
11/07/01	American Continental Life Insurance Company	CNA Group Life Assurance Company
11/07/01	Provident National Assurance Company	Allstate Assurance Company
11/21/01	Employers Insurance of Wausaw, A Mutual Company	Employers Insurance Company of Wausaw
11/28/01	Guideone Casualty Insurance Company	Equity Insurance Company
12/18/01	PaineWebber Life Insurance Company	UBS PaineWebber Life Insurance Company
12/31/01	Employers Health Insurance Company	Humana Insurance Company
12/31/01	Foundation Health Systems Life & Health Insurance Company	Health Net Life Insurance Company

Company changes
Other changes, January 2001 - December 2001

Date	Name	Date	Name
Mergers			
02/13/01	Reliance Direct Insurance Company	07/01/01	Berkshire Life Insurance Company
02/13/01	Reliance National Indemnity Company	07/01/01	Frontier National Life Insurance Company
02/13/01	Reliance Universal Insurance Company	07/01/01	Neighbors of Woodcraft
02/13/01	United Pacific Insurance Company	07/01/01	Pierce National Life Insurance Company
02/28/01	North West Life Assurance Company of America	07/31/01	General Life Insurance Company of America
03/06/01	Reliance National Insurance Company	08/31/01	Fremont Indemnity Company of the Northwest
03/06/01	Reliance Surety Company	09/21/01	Grand Pacific Life Insurance Company, Limited
05/04/02	Paul Revere Protective Life Insurance Company (The)	12/31/01	Bankers United Life Assurance Company
06/30/01	Wabash Life Insurance Company	12/31/01	Humana Insurance Company
		12/31/01	United Presidential Life Insurance Company
Redomestications			
01/01/01	Sentry Select Insurance Company	10/01/01	Travelers Indemnity Company of Missouri
02/16/01	Foundation Health Systems Life & Health Insurance Company	10/25/01	State National Specialty Insurance Company
		11/07/01	American Continental Life Insurance Company
03/01/01	Delta Life and Annuity Company	11/07/01	Provident National Assurance Company
03/28/01	Forestview Mortgage Insurance Company	11/15/01	Guideone Casualty Insurance Company
05/23/01	Healthsource Insurance Company	12/21/01	American Horizon Insurance Company
07/01/01	Liberty Bankers Life Insurance Company	12/26/01	Americian Family Life Assurance Company of Columbus
07/31/01	Midwest Employers Casualty Company	12/31/01	Redland Insurance Company
08/09/01	Sterling Life Insurance Company	12/31/01	United Life & Annuity Insurance Company
10/01/01	Gulf Insurance Company		
Withdrawals			
01/16/01	Aetna Life Insurance Company of America	12/31/01	Alzheimer's Disease & Related Disorders of Columbia-Willamette Valley Inc.
09/28/01	Sumitomo Marine and Fire Insurance Company, Limited (The)	12/31/01	Universal Assurors Life Insurance Company
Certificate of Authority Expired			
04/30/01	Reliant Insurance Company	06/01/01	American Chambers Life Insurance Company
04/30/01	Reliance Insurance Company	06/01/01	International Financial Services Life Insurance Company
04/30/01	Conestoga Life Assurance Company	07/31/01	Electric Mutual Benefit Association
06/01/01	First National Life Insurance Company of America	07/31/01	Far West Insurance Company (dba Far West Surety Company)
06/01/01	Commerical Fishermens Inter-Insurance Exchange		

Financial exams
Completed, January 2001 - December 2001

Company	Period covered	Date report published
Employees' Benefit Association	01/01/94 - 12/31/98	01/09/01
Advantage Dental Plan, Inc.	01/01/96 - 12/31/98	01/25/01
Oregon Medical Insurance Pool Board	07/01/90 - 12/31/99	02/07/01
Timberland States Insurance Company	12/31/00 (Qualifying)	02/26/01
Health Net Health Plan of Oregon, Inc.	01/01/97 - 12/31/99	03/16/01
LifeWise, A PREMERA Plan, Inc.	01/01/97 - 12/31/99	03/23/01
Gencare Dental Plans, Inc.	01/31/01 (Qualifying)	03/23/01
Liberty Northwest Insurance Company	01/01/95 - 12/31/99	03/23/01
Cascade East Health Plans of Oregon, Inc.	10/23/97 - 12/31/99	03/29/01
Pacificare of Oregon, Inc.	01/01/97 - 12/31/99	06/19/01
North Pacific Insurance Company	01/01/97 - 12/31/99	06/29/01
Oregon Automoble Insurance Company	01/01/97 - 12/31/99	06/29/01
PHP Health Plan, Inc.	06/30/01 (Qualifying)	08/08/01
Grange Mutual Insurance Company	01/01/97 - 12/31/00	10/10/01

Explanation of Terms Used in Tables

The next several pages show the accounting results 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.

Financial results for individual property and casualty and life insurance companies can be found in Part II of the Insurance Division Annual Report.

“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 2000 are not strictly comparable to 2000 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 2001 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	\$ 64,507,228	\$ 56,920,282	\$ 39,329	\$ 30,856,226	\$ 23,187,784	\$ 21,988,112	\$ 12,279,301	0.386
Allied lines	42,741,028	38,115,404	26,499	18,409,606	11,155,593	17,584,088	13,013,604	0.461
Crop multiple peril	18,805,944	17,859,606	0	947,332	28,524,251	29,602,250	2,320,171	1.657
Federal flood	9,829,001	9,716,253	0	5,113,652	199,670	202,800	461,591	0.021
Farmowners multiple peril	32,353,154	31,170,711	0	15,146,982	17,065,873	17,870,692	17,984,138	0.573
Homeowners multiple peril	355,611,390	341,615,907	769,450	187,404,522	189,981,270	207,301,114	110,218,483	0.607
Commercial multiple peril	168,344,801	157,687,228	13,568	82,517,216	76,163,772	80,380,797	52,150,725	0.510
Commercial liability	130,756,736	125,023,845	177,437	60,682,407	67,500,072	73,843,964	192,668,680	0.591
Mortgage	64,443,434	60,810,736	0	5,590,975	13,142,305	23,167,187	83,252,422	0.381
Ocean marine	17,705,679	17,698,434	4,290	5,654,483	9,548,597	8,955,517	12,813,241	0.506
Inland marine	86,370,383	80,122,077	54,098	41,084,717	32,256,390	34,601,459	16,747,638	0.432
Financial guaranty	5,909,235	5,455,308	0	41,198,030	0	-98	891	0.000
Medical malpractice	45,001,776	52,200,397	500,334	25,014,851	58,195,316	80,417,031	120,141,659	1.541
Earthquake	37,557,176	35,195,415	120,384	19,474,556	277,847	44,870	496,620	0.001
Workers' compensation	513,223,452	525,450,692	8,447,460	72,214,096	428,702,789	479,922,526	2,732,143,450	0.913
Other liability	331,563,255	336,915,602	144,036	118,702,251	204,659,489	269,630,423	643,269,744	0.800
Products liability	15,245,909	14,874,461	6,158	5,991,141	5,268,998	28,674,147	-35,899,433	1.928
Private pass auto no-fault	133,489,206	131,043,196	193,413	38,243,756	108,200,194	114,233,290	50,810,305	0.872
Private pass auto liability	817,486,476	805,516,224	1,663,141	233,725,109	512,462,439	541,982,633	589,478,728	0.673
Commercial auto no-fault	5,035,269	4,845,152	7,013	2,412,818	1,958,722	2,178,222	2,880,876	0.450
Commercial auto liability	186,202,603	180,994,553	90,736	83,269,891	103,330,206	124,199,414	193,854,554	0.686
Priv pass auto phys damage	607,138,221	603,436,425	1,492,851	175,316,322	363,130,654	368,290,668	38,231,862	0.610
Comm auto phys damage	76,179,584	71,661,099	185,138	36,596,092	43,273,339	44,612,212	7,813,197	0.623
Aircraft	15,971,708	15,595,599	0	6,595,083	5,919,761	5,851,550	11,809,413	0.375
Fidelity	7,379,550	6,877,291	155	4,185,835	5,075,684	3,436,880	4,197,068	0.500
Surety	37,336,672	37,464,634	0	20,769,344	3,983,374	10,191,320	15,044,720	0.272
Burglary & theft	993,092	935,729	72	525,597	83,899	138,400	225,013	0.148
Boiler & machinery	10,544,940	9,642,597	0	4,830,388	1,265,474	1,464,434	2,302,800	0.152
Credit	6,072,853	6,168,858	0	3,406,107	781,517	3,015,377	3,050,199	0.489
Aggregate write-ins	<u>31,159,288</u>	<u>29,932,163</u>	<u>0</u>	<u>45,853,647</u>	<u>17,160,777</u>	<u>27,268,199</u>	<u>27,296,057</u>	<u>0.911</u>
Total (excluding A&H)	3,874,959,043	3,810,945,878	13,935,562	1,391,733,032	2,332,456,056	2,621,049,478	4,921,057,717	0.688
Accident & health total	<u>87,666,336</u>	<u>81,025,531</u>	<u>67</u>	<u>44,319,262</u>	<u>47,485,265</u>	<u>47,211,752</u>	<u>34,166,182</u>	<u>0.583</u>
Property & casualty total**	<u><u>\$3,962,625,379</u></u>	<u><u>\$3,891,971,409</u></u>	<u><u>\$13,935,629</u></u>	<u><u>\$1,436,052,294</u></u>	<u><u>\$2,379,941,321</u></u>	<u><u>\$2,668,261,230</u></u>	<u><u>\$4,955,223,899</u></u>	<u><u>0.686</u></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, Annual Report Part II) due to errors, rounding, and/or truncation on Annual Statements.

Summary of 2001 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	\$ 975,950,675	\$ 1,450,552,679	\$ 166,551,070,785	\$ 3,463,683,701	\$ 750,908,043	\$ 517,135,388

Summary of 2001 business in the state of Oregon
All business

	Direct premium written	Direct premium earned	Direct Other income	Direct losses paid	Loss losses incurred	ratio* (DLI/DPE)
P & C business (no A&H)	<u>\$3,874,959,043</u>	<u>\$3,810,945,878</u>	--	<u>\$2,332,456,056</u>	<u>\$2,621,049,478</u>	0.688
Health business						
Life companies	750,908,043	--	--	--	517,135,388	
Fraternal societies	3,153,426	2,996,004	--	1,152,218	--	
Health Insurers**	5,016,678,272	4,911,299,529	--	4,457,633,344	4,093,492,341	0.833
Property/casualty companies	<u>87,666,336</u>	81,025,531	--	47,485,265	47,211,752	0.583
Total health	<u>\$5,858,406,077</u>					
Life business						
Life companies	975,950,675	--	--	--	--	
Fraternal societies	<u>18,929,648</u>	--	--	10,832,479	--	
Total life	<u>\$994,880,323</u>					
Annuities business						
Life companies	1,450,552,679	--	--	--	--	
Fraternal societies	<u>23,270,399</u>	--	--	19,205,991	--	
Total annuities	<u>\$1,473,823,078</u>					
Title business	<u>\$146,039,750</u>	<u>\$144,998,160</u>	<u>\$46,357,419</u>	<u>\$4,581,673</u>	<u>\$7,420,603</u>	0.051
All business	<u>\$12,348,108,271</u>					

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

** Premiums include Fee-for-Service, Title 18-Medicare, Title 19-Medicaid, Medicare Supplemental, and Federal Employee Health Benefits. Washington business is also included for those companies writing in both Oregon and Washington. Losses are total amounts for provision of health care services.

Note: Dashes indicate data not available

Health insurers
Statement of revenue and expenses as of December 31, 2001

	Advantage Dental Plan, Inc	Cascade East Health Plans, Inc.	Central Oregon Independent Health Services DBA Clear Choice	Complementary Healthcare Insurance, Inc	Health Net Health Plan of Oregon	
Revenues:						
1	Member Months	256,966	42,220	354,113	48	951,865
2	Net Premium Income	\$ 5,900,696	\$ 6,796,204	\$ 89,415,256	\$ 715	\$ 149,826,370
3	Change in Reserves	-	-	-	-	202,872
4	Fee-for-Service	-	-	-	-	-
5	Risk Revenue	-	-	-	-	-
6	Aggregate Write-Ins (Revenues)	-	-	-	40	-
7	Total Revenues (Lines 2 to 6)	5,900,696	6,796,204	89,415,256	755	150,029,242
Medical and Hospital Costs:						
8	Hospital/Medical Benefits	-	6,732,380	63,276,920	-	83,053,954
9	Other Professional Services	4,261,864	-	8,806,573	715	13,921,365
10	Outside Referrals	-	-	1,612,895	-	7,066,553
11	Emergency Room & Out-of-Area	-	-	2,611,678	-	5,439,951
12	Aggregate Write-Ins	-	-	-	-	14,399,499
13	Incentive Pool & WH Adj	353,840	178,324	3,619,896	-	1,087,028
14	Subtotal (Lines 8 to 13)	4,615,704	6,910,704	79,927,962	715	124,968,350
Less:						
15	Net Reinsurance Recoveries	-	-	756,043	-	327,210
16	Total Medical and Hospital	4,615,704	6,910,704	79,171,919	715	124,641,140
17	Claims Adjustment Expenses	531,273	51,832	2,289,121	-	4,490,928
18	General Admin. Expenses	733,922	621,115	5,373,301	29	21,751,713
19	Increase in Reserves for A & H	-	-	-	-	36,000
20	Total Underwriting Deductions	5,880,899	7,583,651	86,834,341	744	150,919,781
21	Net Underwriting Gain	19,797	(787,447)	2,580,915	11	(890,539)
22	Net Investment Income	107,217	53,480	1,690,170	18,002	1,956,465
23	Net Realized Capital Gains	-	(7,652)	1,316	-	206,725
24	Net Investment Gains	107,217	45,828	1,691,486	18,002	2,163,190
25	Net Gain From Bal. Charged Off	(21,861)	-	-	-	-
26	Aggregate Write-Ins (Other)	5,820	224	(61,641)	-	(1,608,481)
27	Net Income Before Federal Taxes	110,973	(741,395)	4,210,760	18,013	(335,830)
28	Fed. & Foreign Inc. Tax Incurred	6,000	-	1,393,172	-	243,872
29	Net Income	\$ 104,973	\$ (741,395)	\$ 2,817,588	\$ 18,013	\$ (579,702)
	Oregon Assessable Premium Written²	\$ 5,984,471	\$ 6,796,204	\$ 1,744,591	\$ 715	\$ 151,996,206
	Title 18 - Medicare³	-	-	44,072,258	-	-
	Title 19 - Medicaid³	-	-	44,709,180	-	-
	Federal Employee Health Benefits³	-	-	-	-	-

¹ Lines 1-29 are taken directly from the 2001 Statement of Revenue and Expenses

² From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 2-6, 10)

³ From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 7-9)

Health insurers
Statement of revenue and expenses as of December 31, 2001 (continued)

	Kaiser Foundation Health Plan of NW ⁴	Kaiser Permanente Health Alternatives dba KPHA Health Plans ⁵	Lifewise, A Premera Health Plan, Inc.	ODS Health Plan Inc.	One Health Plan of Oregon, Inc.	
Revenues:						
1	Member Months	5,351,139	155,350	1,753,159	1,065,624	180,499
2	Net Premium Income	\$ 1,132,597,684	\$ 5,321,678	\$ 268,862,449	\$ 185,579,731	\$ 7,007,298
3	Change in Reserves	-	-	-	939,964	-
4	Fee-for-Service	12,469,070	-	-	-	-
5	Risk Revenue	5,283,835	-	-	-	-
6	Aggregate Write-Ins (Revenues)	3,616,744	-	-	-	-
7	Total Revenues (Lines 2 to 6)	1,153,967,333	5,321,678	268,862,449	186,519,695	7,007,298
Medical and Hospital Costs:						
8	Hospital/Medical Benefits	459,749,047	-	220,366,861	156,612,884	15,465,129
9	Other Professional Services	128,564,914	5,283,836	-	16,365,577	6,855,015
10	Outside Referrals	85,290,648	215,479	-	2,686,399	-
11	Emergency Room & Out-of-Area	40,263,946	-	-	2,603,526	716,128
12	Aggregate Write-Ins	382,391,073	-	-	-	-
13	Incentive Pool & WH Adj.	-	-	(50,069)	-	139,405
14	Subtotal (Lines 8 to 13)	1,096,259,628	5,499,315	220,316,792	178,268,386	23,175,677
Less:						
15	Net Reinsurance Recoveries	-	-	1,675,641	1,781,002	20,879,205
16	Total Medical and Hospital	1,096,259,628	5,499,315	218,641,151	176,487,384	2,296,472
17	Claims Adjustment Expenses	3,919,503	-	15,415,471	4,744,812	23,438
18	General Admin. Expenses	43,762,457	100,868	29,976,217	8,480,023	4,583,645
19	Increase in Reserves for A & H	-	-	-	(1,459,000)	7,412
20	Total Underwriting Deductions	1,143,941,588	5,600,183	264,032,839	188,253,219	6,910,967
21	Net Underwriting Gain	10,025,745	(278,505)	4,829,610	(1,733,524)	96,331
22	Net Investment Income	6,910,402	146,467	4,159,326	1,303,330	452,849
23	Net Realized Capital Gains	-	-	1,684,504	(2,543,894)	-
24	Net Investment Gains	6,910,402	146,467	5,843,830	(1,240,564)	452,849
25	Net Gain From Bal. Charged Off	-	-	-	-	-
26	Aggregate Write-Ins (Other)	1,527,868	-	81,440	158,159	-
27	Net Income Before Federal Taxes	18,464,015	(132,038)	10,754,880	(2,815,929)	549,180
28	Fed. & Foreign Inc. Tax Incurred	-	(19,149)	2,229,817	(1,040,899)	197,190
29	Net Income	\$ 18,464,015	\$ (112,889)	\$ 8,525,063	\$ (1,775,030)	\$ 351,990
	Oregon Assessable Premium Written²	\$ 607,509,998	\$ -	\$ 271,728,511	\$ 171,111,716	\$ 30,400,427
	Title 18 - Medicare³	267,793,692	-	-	-	-
	Title 19 - Medicaid³	39,301,858	-	-	15,407,979	-
	Federal Employee Health Benefits³	79,691,743	-	-	-	-

¹ Lines 1-29 are taken directly from the 2001 Statement of Revenue and Expenses.

² From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 2-6, 10).

³ From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 7-9).

⁴ Kaiser Foundation Health Plan of NW includes some Washington business.

⁵ Kaiser Permanente Health Alternatives, though domiciled in Oregon, wrote only Washington business in 2001.

Health insurers
Statement of revenue and expenses as of December 31, 2001 (continued)

	Oregon Dental Service	PHP Health Plan, Inc.	Pacific Hospital Association DBA Pacifisource Health Plans	PacifiCare of Oregon	Preferred Health Northwest, Inc.
Revenues:					
1	7,533,193	129	1,305,408	1,476,216	-
2	\$ 139,401,883	\$ 20,154	\$ 210,194,089	\$ 376,527,665	\$ -
3	(137,543)	-	-	-	-
4	-	-	-	-	-
5	-	-	-	-	-
6	-	-	1,086,431	-	-
7	139,264,340	20,154	211,280,520	376,527,665	-
Medical and Hospital Costs:					
8	-	16,432	125,930,977	289,574,647	-
9	121,570,271	-	30,671,272	-	-
10	-	-	1,250,000	-	-
11	-	-	19,920,471	15,103,417	-
12	-	-	-	18,070,214	-
13	-	-	-	(3,495,102)	-
14	121,570,271	16,432	177,772,720	319,253,176	-
Less:					
15	-	-	-	68,293	-
16	121,570,271	16,432	177,772,720	319,184,883	-
17	7,351,143	7,855	1,894,361	5,529,510	-
18	10,301,974	71,410	20,014,529	42,125,179	-
19	-	-	1,000,000	-	-
20	139,223,388	95,697	200,681,610	366,839,572	-
21	40,952	(75,543)	10,598,910	9,688,093	-
22	1,444,454	63,929	1,987,531	3,601,173	35,277
23	(2,193,071)	57	3,269,816	862,668	-
24	(748,617)	63,986	5,257,347	4,463,841	35,277
25	-	-	-	-	-
26	(179,340)	-	(315,048)	-	-
27	(887,005)	(11,557)	15,541,209	14,151,934	35,277
28	-	-	3,290,000	4,185,072	-
29	\$ (887,005)	\$ (11,557)	\$ 12,251,209	\$ 9,966,862	\$ 35,277
Oregon Assessable Premium Written²	\$ 139,401,883	\$ 63,540	\$ 211,407,494	\$ 170,434,377	\$ -
Title 18 - Medicare³	-	-	-	186,718,901	-
Title 19 - Medicaid³	-	-	-	-	-
Federal Employee Health Benefits³	-	-	-	22,440,338	-

¹ Lines 1-29 are taken directly from the 2001 Statement of Revenue and Expenses.

² From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 2-6, 10).

³ From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 7-9).

Health insurers
Statement of revenue and expenses as of December 31, 2001 (continued)

	Providence Health Plan ⁴	Regence BlueCross BlueShield of Oregon ⁴	Regence Health Maintenance of Oregon ⁵	Regence HMO Oregon	United HealthCare of Oregon
Revenues:					
1 Member Months	2,807,740	7,389,180	152,701	2,523,161	3,187
2 Net Premium Income	\$ 633,287,962	\$ 1,084,057,283	\$ 26,733,470	\$ 559,593,142	\$ 845,089
3 Change in Reserves	-	2,774,599	8,598	991,033	-
4 Fee-for-Service	-	-	-	-	-
5 Risk Revenue	-	-	-	-	-
6 Aggregate Write-Ins (Revenues)	-	-	-	-	-
7 Total Revenues (Lines 2 to 6)	633,287,962	1,086,831,882	26,742,068	560,584,175	845,089
Medical and Hospital Costs:					
8 Hospital/Medical Benefits	542,913,622	571,065,546	12,201,227	302,587,534	717,433
9 Other Professional Services	19,482,784	363,078,205	5,083,357	123,001,811	304
10 Outside Referrals	36,658,697	1,336,171	-	-	-
11 Emergency Room & Out-of-Area	16,877,755	21,443,648	625,312	11,651,455	-
12 Aggregate Write-Ins	(53,387,862)	-	3,321,365	53,068,957	173
13 Incentive Pool & WH Adj.	-	1,842,419	(272,000)	(9,994,803)	-
14 Subtotal (Lines 8 to 13)	562,544,996	958,765,989	20,959,261	480,314,954	717,910
Less:					
15 Net Reinsurance Recoveries	2,659,231	-	(12,000)	3,424,969	35,243
16 Total Medical and Hospital	559,885,765	958,765,989	20,971,261	476,889,985	682,667
17 Claims Adjustment Expenses	9,769,716	69,423,189	1,178,280	24,239,150	87,386
18 General Admin. Expenses	64,656,746	85,403,800	2,734,769	43,148,194	216,924
19 Increase in Reserves for A & H	-	-	-	-	-
20 Total Underwriting Deductions	634,312,227	1,113,592,978	24,884,310	544,277,329	986,977
21 Net Underwriting Gain	(1,024,265)	(26,761,096)	1,857,758	16,306,846	(141,888)
22 Net Investment Income	5,935,693	14,880,129	1,255,491	9,752,141	229,785
23 Net Realized Capital Gains	(5,024,478)	(923,077)	184,202	2,122,023	-
24 Net Investment Gains	911,215	13,957,052	1,439,693	11,874,164	229,785
25 Net Gain From Bal. Charged Off	-	(3,284)	-	-	-
26 Aggregate Write-Ins (Other)	5,912,997	-	-	46,111	-
27 Net Income Before Federal Taxes	5,799,947	(12,807,328)	3,297,451	28,227,121	87,897
28 Fed. & Foreign Inc. Tax Incurred	-	(6,705,965)	1,097,541	2,234,551	83,059
29 Net Income	\$ 5,799,947	\$ (6,101,363)	\$ 2,199,910	\$ 25,992,570	\$ 4,838
Oregon Assessable Premium Written²	\$ 386,579,350	\$ 959,961,670	\$ -	\$ 248,931,116	\$ 850,648
Title 18 - Medicare³	238,037,536	-	2,975,041	288,718,830	-
Title 19 - Medicaid³	25,678,088	-	-	17,952,002	-
Federal Employee Health Benefits³	-	100,661,110	-	-	-

¹ Lines 1-29 are taken directly from the 2001 Statement of Revenue and Expenses.

² From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 2-6, 10).

³ From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 7-9).

⁴ Providence Health Plan and Regence BlueCross BlueShield of Oregon include some Washington Business.

⁵ Regence Health Maintenance of Oregon, though domiciled in Oregon, wrote only Washington business in 2001.

Health insurers
Statement of revenue and expenses as of December 31, 2001 (continued)

	Vision Care of Oregon, Inc.	Willamette Dental Insurance
Revenues:		
1 Member Months	6,081,732	448,368
2 Net Premium Income	\$ 7,914,352	\$ 9,804,105
3 Change in Reserves	-	-
4 Fee-for-Service	-	-
5 Risk Revenue	5,571,175	-
6 Aggregate Write-Ins (Revenues)	-	140,161
7 Total Revenues (Lines 2 to 6)	13,485,527	9,944,266
Medical and Hospital Costs:		
8 Hospital/Medical Benefits	-	8,891,660
9 Other Professional Services	12,385,645	-
10 Outside Referrals	-	-
11 Emergency Room & Out-of-Area	-	-
12 Aggregate Write-Ins	-	-
13 Incentive Pool & WH Adj.	-	-
14 Subtotal (Lines 8 to 13)	12,385,645	8,891,660
Less:		
15 Net Reinsurance Recoveries	-	-
16 Total Medical and Hospital	12,385,645	8,891,660
17 Claims Adjustment Expenses	296,350	-
18 General Admin. Expenses	288,003	758,247
19 Increase in Reserves for A & H	-	-
20 Total Underwriting Deductions	12,969,998	9,649,907
21 Net Underwriting Gain	515,529	294,359
22 Net Investment Income	497,490	37,553
23 Net Realized Capital Gains	-	(8,952)
24 Net Investment Gains	497,490	28,601
25 Net Gain From Bal. Charged Off	(6,269)	-
26 Aggregate Write-Ins (Other)	-	-
27 Net Income Before Federal Taxes	1,006,750	322,960
28 Fed. & Foreign Inc. Tax Incurred	990,000	131,752
29 Net Income	\$ 16,750	\$ 191,208
Oregon Assessable Premium Written²	\$ 13,536,610	\$ 9,804,105
Title 18 - Medicare³	-	-
Title 19 - Medicaid³	-	-
Federal Employee Health Benefits³	-	-

¹ Lines 1-29 are taken directly from the 2001 Statement of Revenue and Expenses.

² From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 2-6, 10).

³ From the 2001 Exhibit of Premiums, Enrollment and Utilization, Line 12 (Columns 7-9).

Fraternal benefit societies
as of December 31, 2001

Company	Life insurance		Annuities		Health insurance		
	Direct premium	Benefits paid*	Consideration received	Benefits paid	Direct premium	Premium earned	Losses paid
Catholic Order of Foresters	\$25,577	\$50,995	\$239,731	\$231,337	\$2,146	\$1,722	\$0
Catholic Workman	3,241	2,448	10,450	0	0	0	0
Croatian Fraternal Union of America	10,041	5,423	0	0	395	0	378
Degree of Honor Protective Association	87,985	75,221	35,911	161,767	0	0	0
Independent Order of Foresters	1,497,753	855,795	382,673	827,820	1,694	1,694	233
Knights of Columbus	2,645,897	995,125	0	1,770,206	59,489	0	0
Lutheran Brotherhood	5,854,887	3,291,470	8,932,379	2,016,757	685,105	622,700	199,769
Mennonite Mutual Aid Association	116,139	2,500	411,423	506,848	339,309	332,052	251,157
Modern Woodmen of America	566,382	439,332	195,253	708,218	5,174	5,194	6,821
National Catholic Society of Foresters	109,872	3,967	169,572	22,131	0	0	0
National Fraternal Society of the Deaf	0	0	0	0	0	0	0
Omaha Woodmen Life Insurance Society	527,084	301,233	140,058	116,396	4,990	4,955	666
Polish National Alliance of the United States	5,152	3,303	5,050	0	0	0	0
Royal Arcanum (Supreme Council of the)	2,785	0	0	0	0	0	0
Royal Neighbors of America	244,074	165,879	38,969	140,422	0	0	0
Slovene National Benefit Society	0	0	0	0	0	0	0
Sons of Norway	93,700	10,000	77,145	1,217	1,149	1,168	0
Thrivent Financial for Lutherans	6,880,621	4,589,347	11,890,901	12,498,397	1,980,164	1,953,298	673,217
United Commercial Travelers of America	8,363	0	0	0	71,380	73,221	19,977
Western Fraternal Life Association	23,354	6,460	153,632	199,474	0	0	0
Woman's Life Insurance Society	3,824	20,503	0	0	0	0	0
Woodmen of the World	<u>222,917</u>	<u>13,478</u>	<u>587,252</u>	<u>5,001</u>	<u>2,431</u>	<u>0</u>	<u>0</u>
Total	<u>\$18,929,648</u>	<u>\$10,832,479</u>	<u>\$23,270,399</u>	<u>\$19,205,991</u>	<u>\$3,153,426</u>	<u>\$2,996,004</u>	<u>\$1,152,218</u>

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

Mortgage guaranty as of December 31, 2001

Company	Direct premiums written	Direct premiums earned	Dividends paid	Unearned premium reserves	Direct losses paid	Direct losses incurred	Direct losses unpaid
Amerin Guaranty Corporation	\$1,820,698	\$1,601,513	\$0	\$0	\$324,128	\$540,776	\$0
CMG Mortgage Insurance Company	771,493	772,702	0	3,609	152,938	250,036	164,678
GE Residential Mortgage Insurance Corp. of NC	576	576	0	349	0	0	0
General Electric Mortgage Insurance Corp.	7,282,941	6,980,873	0	800,826	1,437,116	2,019,237	3,689,154
General Electric Mortgage Insurance Corp. of NC	161	336	0	176	0	0	0
MGIC Indemnity Corporation	2,535	5,714	0	1,949	0	-9,870	1,405
Mortgage Guaranty Insurance Corporation	14,712,377	15,043,790	0	956,066	2,800,366	7,329,881	55,800,433
PMI Mortgage Insurance Company	12,088,623	12,130,491	0	1,480,197	3,160,262	4,495,910	5,418,070
Radian Guaranty, Inc.	10,193,836	6,599,069	0	1,280,317	2,828,672	5,080,830	9,497,233
Republic Mortgage Insurance Company	5,565,707	5,605,765	0	165,707	580,783	986,083	2,382,689
Triad Guaranty Insurance Corporation	241,690	242,789	0	19,973	110,213	24,833	56,499
United Guaranty Credit Insurance Company	2,497	3,828	0	12,359	0	0	0
United Guaranty Mortgage Indemnity Company	338	338	0	0	0	0	0
United Guaranty Residential Insurance Company	11,758,149	11,819,735	0	867,655	1,748,434	2,453,361	6,241,264
United Guaranty Residential Insurance Co. of NC	0	516	0	797	-607	-607	0
Verex Assurance, Inc.	1,813	2,701	0	995	0	-3,283	997
Total	<u>\$64,441,621</u>	<u>\$60,808,035</u>	<u>\$0</u>	<u>\$5,589,980</u>	<u>\$13,142,305</u>	<u>\$23,170,470</u>	<u>\$83,251,425</u>

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

Title insurance as of December 31, 2001

Company	Direct premium written	Direct premium earned	Other income	Direct losses paid	Direct losses incurred
Chicago Title Insurance Company	\$250,510	\$586,682	-\$4,615	\$487,491	\$751,600
Chicago Title Insurance Company of Oregon	28,291,493	27,656,894	7,020,480	487,569	1,185,231
Commonwealth Land Title Insurance Company	210	13,893	1,750	921	918
Fidelity National Title Insurance Company	22,847,119	22,419,173	0	873,996	1,491,400
First American Title Insurance Company of Oregon	49,721,320	49,721,320	22,022,266	1,354,785	2,052,157
Lawyers Title Insurance Corporation	17,998,464	17,869,184	10,701,995	217,621	447,942
Pacific Northwest Title Insurance Company, Inc.	9,181,292	9,011,032	0	44,261	64,218
Stewart Title Guaranty Company	73,377	693,998	8,771	210,155	352,324
Stewart Title Insurance Company of Oregon	4,478,965	4,076,769	0	71,567	0
Ticor Title Insurance Company	13,197,000	12,949,215	6,606,772	833,307	1,074,813
Transnation Title Insurance Company	<u>22,089,040</u>	<u>22,025,325</u>	<u>4,937,249</u>	<u>305,327</u>	<u>262,763</u>
Total	<u>\$146,039,750</u>	<u>\$144,998,160</u>	<u>\$46,357,419</u>	<u>\$4,581,673</u>	<u>\$7,420,603</u>

Oregon surplus lines writing, 2000 and 2001

Name	2000 premium	2001 premium
Dean, Gregory Evan	\$6,597,509	\$15,133,397
Marsh USA, Inc.	13,646,453	12,714,168
Swett & Crawford Corporation	5,370,149	8,525,699
Robert J. Wood & Company, Inc.	3,816,668	6,048,089
Crump Insurance Services Northwest, Inc.	2,769,911	4,504,243
Independent Insurance Wholesalers	3,383,990	4,462,130
Indemnity Excess & Surplus Agency	3,274,284	4,094,884
Acordia of Oregon, Inc.	3,840,967	3,728,366
Kenneth I. Tobey, Inc.	2,658,708	3,714,252
Groninger & Co., Inc.	2,136,890	3,642,699
Thomas E. Barber	2,512,676	3,418,975
McFall General Agency, Inc.	2,322,114	3,168,729
Herman R. Deiss	2,258,598	3,029,989
Jewett, Barton, Leavy & Kern, Inc.	2,532,899	2,676,455
Willis of Oregon (Eugene)	1,935,149	2,635,815
Ron Rothert Insurance, Inc.	1,712,229	2,235,450
Paula D. Jordan	1,434,287	2,043,123
Dahl, Linda Sue	890,225	1,871,154
Environmental Insurance Agency, Inc.	1,421,283	1,743,717
James R. Cole	104,928	1,656,043
Sullivan & Associates of Oregon (dba:)	1,101,626	1,583,320
Durham & Bates Agencies, Inc.	1,246,887	1,408,725
Emery & Karrigan, Inc.	1,159,341	1,273,778
Campbell, Galt & Newlands, Inc.	529,014	739,841
Fullerton & Company, Inc.	353,826	584,447
Heaton, Sharon L.	613,940	519,857
Kelly & Elliott, Ltd.	266,020	479,250
JGN Corporation, Inc.	0	349,658
American Insurance Managers, Inc.	112,883	269,249
Peter King Nielsen	35,406	149,605
McMormick, Martha Georgann	0	142,837
Keelson Partners	117,584	142,450
Gales Creek Insurance Services, Inc.	105,951	129,431
Insurance Marketing Corporation of Oregon	298,341	118,068
Deans & Homer	38,679	114,770
Willis of Oregon (Portland)	588,017	87,037
VanBeurden Hayes Insurance Services, Inc.	10,816	78,174
Primex Insurance Brokers, Inc.	483,603	27,954
Aon Risk Services, Inc. of Oregon	3,256,832	15,394
Delanty, Michael Edward	568,687	7,151
Anchor Insurance & Surety, Inc.	0	5,848
George Newman	288,651	3,500
Sedgwick of Oregon	72,982	2,500
Granite Insurance Services, Inc.	109,260	605
Totals	<u>\$75,978,263</u>	<u>\$99,280,826</u>

Note: Two companies which contributed \$10,866 to the 2000 premium total were removed from this list because they had no premiums in 2001.

Risk retention groups
as of December 31, 2001

Company	Premium written	Dividends
American Association of Orthodontists Ins. Co., RRG	\$46,856	\$ 0
American Contractors Insurance Company Risk Retention Group	286,773	0
American Excess Insurance Exchange, Risk Retention Group	1,352,000	0
American Feed Industry Insurance Company Risk Retention Group	15,332	0
American Safety Risk Retention Group, Inc.	74,827	0
Attorneys' Liability Assurance Society, Inc. RRG	2,497,063	0
Capital Assurance Risk Retention Group, Inc.	288	0
College Liability Insurance Company, a Reciprocal Risk Retention Group	292,121	0
Columbia National Risk Retention Group, Inc.	480	0
Consumer Specialties Insurance Company, a Risk Retention Group	5,000	0
CPA Mutual Insurance Company of America Risk Retention Group	189,873	22,946
Doctors Insurance Reciprocal (Risk Retention Group)	4,055	0
Evergreen USA Risk Retention Group Inc.	11,625	0
Golden Insurance Company, a Risk Retention Group	703	0
Heritage Warranty Mutual Insurance Risk Retention Group	66,290	0
National Home Insurance Company, Risk Retention Group	138,378	0
National Service Contract Insurance Company Risk Retention Group	2,099	0
National Warranty Insurance Risk Retention Group	474,915	0
Newport Mutual Insurance Risk Retention Group, Inc.	22,047	0
Oms National Insurance Company, Risk Retention Group	252,477	0
OOIDA Risk Retention Group, Inc.	171,391	0
Ophthalmic Mutual Insurance Company Risk Retention Group	10,042	184
Podiatry Insurance Company of America, Risk Retention Group	203,016	12,863
Preferred Physicians Medical Risk Retention Group	19,110	0
Premier Insurance Exchange Risk Retention Group	81,600	0
Reciprocal Alliance (Risk Retention Group)	165,544	0
Residential Insurance Company, Inc. a Risk Retention Group	11,043	0
Terra Insurance Company (a Risk Retention Group)	134,446	0
United Educators Insurance, a Reciprocal Risk Retention Group	1,270,926	0
Western Pacific Mutual Insurance Company, a Risk Retention Group	74,614	0
Total	<u>\$7,874,934</u>	<u>\$35,993</u>

Historic premium written, all business
calendar years 1995-2001

	CY1995	CY1996	CY1997	CY1998	CY1999	CY2000	CY 2001
P&C	\$3,174,891,126	\$3,292,500,332	\$3,389,819,241	\$3,444,978,674	\$3,445,854,381	\$3,639,456,410	\$3,982,114,803
Life	837,986,752	885,811,522	892,540,273	898,055,042	933,066,916	1,048,088,652	994,880,323
Annuities	708,721,526	643,286,853	624,148,746	650,149,842	651,474,917	810,964,575	1,473,823,078
Life A&H	543,661,617	560,917,316	642,520,866	743,155,038	744,631,631	875,958,355	754,061,469
P&C A&H	102,712,847	130,232,797	187,787,664	258,416,317	79,164,587	81,003,843	87,666,336
Health insurers*	2,345,184,794	3,471,757,781	3,496,728,193	3,781,942,374	4,224,781,739	4,489,814,954	5,016,678,272
Title	90,981,586	119,972,062	125,730,121	169,126,850	149,284,967	104,401,598	146,039,750
Total	<u>\$7,804,140,248</u>	<u>\$9,104,478,663</u>	<u>\$9,359,275,104</u>	<u>\$9,945,824,137</u>	<u>\$10,228,259,138</u>	<u>\$11,049,688,387</u>	<u>\$12,455,264,031</u>

* Health insurers include all companies with 95% of their premium in health insurance. The premium totals include some Washington business as several companies write in both Oregon and Washington.