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The death and life of Azusa Suzuki



By Steve Duin, The Oregonian

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The insurance nightmare that Rep. Brian Clem, D-Salem, has lived with for the last six years finally spilled over into a legislative committee hearing last week in Salem.

As we tag along with Clem on the exaggerated death and glorious resurrection of his mother-in-law, Azusa Suzuki, ask yourself this:

Which bureaucracy, Regence or the Oregon Insurance Division, comes off looking the most obnoxious and unresponsive?

As Clem testified last week on ending the insurance industry's exemption to Oregon's Unfair Trade Practices Act, Suzuki and her late husband long ran the Suzuki-Tambara orchard in Parkdale.

When Suzuki turned 65 in 2005, she applied for supplemental insurance from Regence to cover the gaps in her policy as she moved under the Medicare umbrella. In completing the application, she received considerable help from her daughter, Carol, and her legislative son-in-law.

The Clems assumed all was well -- heck, Regence pulled more than \$500 from Suzuki's bank account -- until nine months later when Suzuki had a serious automobile accident, fracturing a vertebrae in her neck.

When the Clems provided insurance info to the ambulance company and Providence, the medical center announced there was a problem with Suzuki's supplemental insurance.

The Clems called Regence. "We're standing in the kitchen," Clem said. "Carol is on the phone, talking to some guy named Ron. He was, like, 'Well, we believe she's dead. That's why we rejected the claim.'"

Carol Clem assured the Regence employee that her mother was dinged up but still incredibly full of life. When she asked Regence to tell her who reported Suzuki's death, she was told the insurance company received an anonymous phone call and promptly sent out a cancellation notice.



Clem insists the family was never informed that Suzuki's supplemental policy had been voided, which would make that cancellation without notice a violation of Oregon law.

All parties agreed, however, that this was a simple and regrettable mistake. Ron at Regence said he would talk to his supervisor about getting Suzuki's supplemental insurance reinstated. But when Regence called back, Brian Clem said, the company had a different message:

Although Suzuki had been paying insurance premiums to the company since 1971, Regence would not restore her policy. While the company's death notice might have been premature, Regence blamed Suzuki and the Clems for their failure to notice it had stopped automatically drawing the \$60 monthly premiums from Suzuki's bank account.

How about forgetting the auto accident claim and simply reinstating his mother-in-law, Clem asked?

No, he was told, because now Suzuki has a pre-existing condition.

"You don't know what to do except get a lawyer," Clem said, "and we're not sue-happy people."

In the 2009 session, however, Clem began crafting a bill to find remedies for other Oregonians who are jerked around by their insurance company.

Enter the Oregon Insurance Division and its administrator, Teresa Miller.

While Clem was frustrated by his interaction with Regence, he was surprised by the unwillingness of the state agency to intervene in a case when a company it regulated used a bogus obituary to avoid paying an insurance claim.

When he asked Miller about this, Clem said she told him the Oregon Insurance Division could do nothing in the case because state law has no remedy for a false-death claim.

"Are you kidding me?" Clem said. "I have to write a statute about a false-death notification or there's nothing you can do?"

That's right, Miller told him. If he was unhappy with Regence, she added, he should hire a lawyer.

That's the advice that brought Clem and Azusa Suzuki into last week's hearing on the insurance industry and the Unfair Trade Practices Act.

As Clem noted, "All the insurance companies keep saying, 'Don't put insurance under the unfair-trade practices act because there's already a system at the state to help consumers. Why would we want to inject lawyers into things and drive up costs?'"

No one, the lobbyists assured Clem, could accuse the Oregon Insurance Division of being a lapdog for the insurance industry.

But that's precisely how the agency has acted in this case, Clem argues: "Part of it is the relationship between the agency and the industry they regulate. They're funded off surcharges on insurance policies. They get paid by the insurance industry."

If that conflict of economic interest sounds familiar, it's the same relationship Oregon's Department of Environmental Quality has with the polluters it pretends to police.

In both cases, it's a case of wretched dependency, the sort that inspires the Oregon Insurance Division to lobby against subjecting insurance companies to the discipline and disciplinary measures that come with the Unfair Trade Practices Act.

Not surprisingly, Cheryl Martinis, a spokeswoman for the agency, disagrees. "Our regulation is considered very aggressive, whether it's rates or regulation of the industry in general," she said. "We really have a good track record when it comes to getting the insurance company to do the right thing.

"We look for patterns of behavior. This is a unique case and very isolated."

Desperate to cut its losses, Regence refused to comment on this case beyond spokeswoman Samantha Meese's assurance that "we continually hold ourselves accountable" to "provide the best service possible."

Thus, I will close with Azusa Suzuki and her son-in-law. When Regence's president, a sheepish Jared Short, asked Suzuki last week what the company could possibly do for her other than restore her supplemental insurance, Suzuki responded, "What's fair is that you never do this for anyone else again."

I wouldn't count on that. Neither should the Legislature. As Clem notes, "I'm certain this wouldn't have gotten resolved if they hadn't heard we were going to tell our story."

--Steve Duin

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