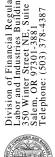




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known principal business address is 1800 Millrace Drive, Eugene, OR 97403. Agate



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provides administrative services and leases employees and buildings for Trillium and
LIPA. Agate owns 40% of Trillium's issued and outstanding shares of common stock
and 100% of LIPA's issued and outstanding shares of common stock.

- 4. Trillium received its certificate of authority as a health care service contractor in Oregon on April 18, 2006.
- 5. Agate has never been issued a certificate of authority evidencing the authority to transact insurance in Oregon.
- 6. Trillium had a verbal reinsurance and risk sharing arrangement with its parent, Agate, under which Trillium paid a per-member, per-month fee to Agate in return for a percentage of the risk between \$100,000 and \$300,000. The risk sharing arrangement started on August 1, 2012 and ended on December 31, 2014.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

- 7. Agate transacted insurance as defined under ORS 731.102(1) and ORS 731.146(1)(c) by receiving a per member, per month fee from Trillium in return for a percentage of the risk between \$100,000 and \$300,000.
- Agate did not hold a certificate of authority under ORS 731.072(1). Agate violated ORS 731.022 and ORS 731.354 because Agate transacted insurance without a certificate of authority issued under ORS 731.072(1).
- 9. In accordance with ORS 731.988(1), the Director may assess civil penalties in an amount not to exceed \$10,000 per violation against persons who violate any provision of the Insurance Code.

ORDERS

Now, therefore, the Director issues the following ORDERS:



CONSENT TO ENTRY OF ORDER