

Oregon Division of Financial Regulation Bulletin No. DFR 2019-01

TO: All Insurers

DATE: January 7, 2019

RE: Use of Corporate and Assumed Business Names by Insurers
(Per ORS 731.430, 742.003, 732.538, 746.110, 746.240, 750.005, 750.025 and OAR 836-020-0260)

Insurance Division Bulletin 96-5 has been withdrawn and replaced with this bulletin.

The purpose of this bulletin is to clarify the requirements and procedures relating to the use of corporate and assumed business names by insurers. For purposes of this bulletin, "insurers" includes health care service contractors. Questions about these issues have arisen from insurers in connection with:

- Recommendations contained in market conduct examinations, and
 - Changes in ownership of insurers.
1. An insurer shall use its authorized name in all activities relating to the transaction of insurance in Oregon (see ORS 746.110). **The authorized name is the corporate name or the assumed business name, if any, that appears on the insurer's original or most recently amended certificate of authority.** If both a corporate name and an assumed business name are shown on the certificate, the insurer may use either name in transacting insurance (see ORS 731.430(2)). These requirements apply even though the insurer may also be subject to other name approval and registration laws administered by the Secretary of State, Corporation Division.
 2. Prior to the issuance of an original or amended certificate of authority, the Director will determine if a proposed name meets the requirements of ORS 731.430. For purposes of this determination:
 - a. A "principal identifying name factor" means any portion of a name that conveys the identity of the insurer. A proposed name or assumed business name will not be authorized if it contains a factor that is the same as or deceptively similar to that of another insurer or another enterprise registered with the Secretary of State. For example, if an insurer has the authorized name, "Beaver State Indemnity Company," then authorization would not be granted to other insurers to use names containing the factor, "Beaver State."

- b. A name must indicate that the company is transacting insurance (see ORS 731.430(1) (b)). Proper indication can be achieved by including such words as insurance, assurance, indemnity, casualty, surety, dental plan, underwriter, guaranty, guarantee, or health plan in the name.

Note: Some health care service contractors have been authorized to use company names that indirectly convey the transaction of insurance or that connote insurance because of the historical usage of the name. At the time the original bulletin was issued in 1996 the currently authorized names were allowed to remain. Beginning on July 1, 1996, names were required to include an explicit indication of insurance.

- c. A name must not deceive or mislead a person to believe that an insurer is organized differently than it really is (see ORS 731.430(1) (b)). For example, a name that includes the designation "society" will not be authorized if the insurer is not organized as a fraternal benefit society. Similarly, a name that includes the designation "health maintenance organization" or "HMO" will not be authorized if the insurer does not qualify as such.

Note: In accordance with ORS 750.005(3) and 750.025(2), names that include the designation "health maintenance organization" or "HMO" are authorized only for entities that are federally qualified under Title XIII of the Public Health Services Act. Similarly, an authorized HMO shall not advertise, market or solicit a benefit plan with the designation health maintenance organization or HMO unless the benefit plan is federally qualified. The advertising, marketing and soliciting of a non-federally qualified HMO plan must indicate that the plan is not federally qualified.

- d. When approving names for health insurers, the Director will apply the same criteria to both commercial insurers and health care service contractors.

- 3. **An insurer shall use its full authorized name, as shown on its certificate of authority, in all activities relating to the transaction of insurance.** An insurer shall not substitute any other name or identifiers for its authorized name (see ORS 746.240 and, for health insurance, OAR 836-020-0260). However, an insurer may use other identifiers such as abbreviations, acronyms, product names, logos, trademarks and slogans in conjunction with its authorized name.

For example: A corporation has common ownership of three insurers with the following authorized names; Beaver State Indemnity Company, Beaver State Casualty Company, and Beaver State Health Plan. The slogan, "The Beaver State Group," is used to indicate the combined group of affiliated companies. In all activities relating to the transaction of insurance the authorized name of the specific insurer involved must be used. The slogan may accompany the authorized name, but it may not be substituted for the authorized name. See additional logo information under 5f.

- 4. An insurer may use an identifier without its accompanying authorized name if the use does not involve the actual solicitation or transaction of insurance. Such

circumstances would include building signs, promotional items, sponsorship displays, charitable activities, goodwill advertising, and similar situations. For example, an insurer may distribute promotional items with the company logo at a charitable event. However, if the insurer also displays or distributes any materials that advertise or solicit insurance products, those materials must contain the insurer's full authorized name.

5. An insurer may apply to change its authorized name by filing an Application for Amended Certificate of Authority with the Director, as outlined below.

Note: For health care service contractors, this application should be finalized before amended articles of incorporation are filed with the Secretary of State, Corporation Division.

- a. Upon receipt of the application, the Director will review it to determine whether the proposed name complies with ORS 731.430. If the Director determines that the proposed name does not comply with ORS 731.430, then the Director will notify the insurer in writing that the name has been disapproved, explain the reason for such action, and invite the insurer to propose an alternate name.
- b. If the Director determines that the proposed name complies with ORS 731.430, then the Director will process the application, produce an amended certificate of authority, and send the certificate to the insurer.

Note: Health care service contractors must file an original certified copy of their amended articles of incorporation before the amended certificate will be issued.

- c. Upon receipt of the amended certificate, the insurer must commence use of the newly approved name in all activities relating to the transaction of insurance.
- d. The existing policies and related forms of an insurer should be amended within 6 months. When a change is approved in the insurer's authorized name, see ORS 742.003 and 'Changes to Business Operation' filing directions on our website.

A "Name Change or Merger" endorsement, to be issued to all existing policyholders, must be submitted for prior approval to the Division. (ORS 732.538).

- a. For name changes, if previously approved policy forms are to be marketed under the new name, the insurer must submit a list of the relevant forms to the Division that shows:

- The form number
- The form title
- The Oregon approval date and state or SERFF tracking number
- One sample form showing the new name
- The insurer must also provide a list of all previously approved forms to be discontinued.

This action should be carried out within 6 months of the name change.

- b. For mergers, if forms previously approved under the ceding company are to be transferred to the new company, those forms must be placed on the form schedule tab including:

- The form number
- The form title
- The Oregon approval date and state or SERFF tracking number

This action should be carried out within 6 months of the merger.

- e. An insurer may apply for approval and reservation of a new name up to six months before the new name will take effect (see ORS 731.430(3)). The reservation period provides an opportunity to use existing supplies of stationery and marketing materials and to make necessary changes in advertising. To facilitate the process of a name change, the old name may be used **in conjunction** with the new name for a maximum of one year, consisting of:

- The reservation period (if any) and,
- A period of six months after the new name takes effect.

- f. Logo changes must be filed showing the side by side comparison of old vs. new with a sample form showing how the logo will be displayed. If forms were previously approved with brackets around logos the insurer must still file logo changes. If a combined group of companies' logo is used, the underwriting company name must be conspicuously displayed.
6. Assumptions (ORS 742.150 to 742.162 and OAR 836-050-0010 to -0020) an insurer with Oregon policyholders that enters into an assumption agreement with another carrier should file with the Division within six months of the assumption:

- The first notice of transfer and notice of rejection
- The second notice of transfer and notice of rejection and
- The Assumption Certificate
- The insurer should also submit a list of previously approved forms that will be novating to the new company that will need to be added to the form schedule tab in SERFF and should include:

- The form number
- The form title
- The Oregon approval date and state or SERFF tracking number



Andrew Stolfi
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Division of Financial Regulation

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Date