

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

In the Matter of **American Standard Insurance**) **STIPULATION** and
Company of Wisconsin) **FINAL ORDER**
) Case No. INS 06-08-014

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against American Standard Insurance Company of Wisconsin (American Standard).

American Standard desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

American Standard waives all rights relative to an administrative hearing and judicial review thereof.

American Standard stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

Facts and Conclusions

Licensing Information

American Standard has been licensed in Oregon as a foreign insurer since 8/8/97. American Standard's last recorded principal business address is located in Madison, Wisconsin.

Refused to Pay Claim Without Conducting a Reasonable Investigation

American Standard is subject to enforcement action pursuant to ORS 746.230(1)(d) because of the following circumstances. ORS 746.230(1)(d) prohibits an insurer or other person from refusing to pay claims without conducting a reasonable investigation based on all available information.

On or about 7/12/05, American Standard denied a third party motor vehicle liability claim based solely on its insured's and the claimant's statements when the insured denied there being any accident, the claimant did not witness the alleged

accident, and both the insured and the claimant informed American Standard on 7/8/05 of the names of four possible witnesses, but American Standard refused to contact any of the witnesses until after the claimant complained to the Insurance Division and the Insurance Division intervened.

Action

Pursuant to ORS 731.988, American Standard is assessed a civil penalty of \$3,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE, Room 440 (4th Floor), Salem, Oregon; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be *received* by the Insurance Division by the date of the final order.

Dated November 22, 2006

/s/ William G. Rascha

[Signature of Representative]

William G. Rascha

[Printed Name of Representative]

Assistant General Counsel

[Printed Title of Representative]

American Standard Insurance Company of
Wisconsin

FINAL ORDER

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated December 12, 2006

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services

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