

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

In the Matter of **Insurance Company of the State** ) **STIPULATION** and  
**of Pennsylvania** ) **FINAL ORDER**  
 ) Case No. INS 11-07-007

**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 Insurance Company of the State of Pennsylvania (ICSP).

ICSP desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

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

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

**Facts and Conclusions**

Licensing Information

ICSP has been licensed in Oregon as a foreign insurer since 9/27/1911. ICSP's Oregon Insurance Division company number is 1148, NAIC entity number is 19429, and federal employer identification number (FEIN) is 13-5540698.

Over Recouped OIGA Assessment from Insureds

ICSP is subject to enforcement action pursuant to ORS 734.579(1) because of the following circumstances. ORS 734.550 requires a person that is licensed in Oregon as an insurer and authorized to transact generally property and casualty insurance to be a member of the Oregon Insurance Guaranty Association (OIGA).

ORS 734.570(3) requires OIGA to assess its member insurers an amount necessary to pay OIGA's expenses. If OIGA assesses its member insurers, then

ORS 734.579(1) requires a member insurer to recoup its assessment from its

insureds, unless otherwise permitted by Oregon Administrative Rules (OAR) 836-031-0855. *However, if a member insurer recoups its assessment from its insureds, it may not recoup more than its assessment.* ICSP was a member insurer of OIGA and was assessed by OIGA. ICSP had recouped all of its assessment by 2005. However, ICSP continued to recoupe \$3,716 in 2008.

### **Action**

Pursuant to ORS 731.988(1), ICSP is assessed a civil penalty of \$10,000. 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 or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, Oregon 97301-3880; 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 11, 2011

/s/ Adam Reed

[Signature of Representative]

Adam Reed

[Printed Name of Representative]

Assistant Vice President

[Printed Title of Representative]

Chartis Casualty Company

### **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 January 24, 2012

/s/ Patrick M. Allen

Patrick M. Allen

Director

Department of Consumer and Business Services