

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-24-0011

CALIFORNIA CASUALTY GENERAL
INSURANCE COMPANY OF OREGON,

Respondent.

FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
ASSESSING CIVIL PENALTIES,
ENTERED BY CONSENT

The Director of the Oregon Department of Consumer and Business Services for the State of Oregon (the “Director”), through the Division of Financial Regulation (the “Division”), investigated the business activities of California Casualty General Insurance Company of Oregon (“California Casualty” or the “company”) and determined that it violated certain provisions of Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748, and 750 and Oregon Administrative Rules (“OAR”) chapter 836 (collectively, the “Insurance Code”).

California Casualty cooperated with the Director’s investigation and wishes to settle this matter.

Now, therefore, as evidenced by the signature(s) subscribed in this Order, California Casualty hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law below.

FINDINGS OF FACT

The Director FINDS that:

1. California Casualty, a domestic insurer licensed in Oregon since October 1987, provides property and casualty products in the state. Its National Association of Insurance Commissioners Company Code is 35955.

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1 2. The company's primary business address is P.O. Box M, San Mateo, California
2 94402.

3 3. From January 1, 2020 to April 5, 2023, California Casualty received 827
4 automobile total loss claims in Oregon.

5 4. In 117 of the 827 claims, California Casualty did not send claimants the
6 required Oregon total loss notice for cash settlements. All 117 claims involved owner-
7 retained vehicles.

8 5. In 25 of the 827 claims, California Casualty processed and paid cash settlements
9 without including in the payment all the applicable taxes and fees incident to the transfer
10 of ownership of a comparable vehicle. Following the Division's inquiry, the company
11 reimbursed the claimants those costs plus interest, totaling \$4,384.09.

12 CONCLUSIONS OF LAW

13 The Director CONCLUDES that:

14 6. The Director has jurisdiction over California Casualty's business activities
15 under ORS 731.236.

16 7. By failing to send 117 claimants the required Oregon total loss notice for cash
17 settlements, California Casualty violated ORS 742.554(2) and OAR 836-080-0240(4).

18 8. By failing to include all the applicable taxes and fees in the cash settlement
19 payments for 25 total loss claims, California Casualty violated OAR 836-080-0240(3)(b).

20 9. Because California Casualty violated ORS 742.554(2) and OAR 836-080-
21 0240(3)(b) and (4), the Director may, under ORS 731.252(1), order the company to cease
22 and desist from violating those statutes and rules.

23 10. ORS 731.988(1) authorizes the Director to assess against California Casualty a
24 civil penalty of up to \$10,000 per violation of the Insurance Code.

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1 **ORDERS**

2 Now therefore, the Director issues the following Orders:

3 11. As authorized by ORS 731.252(1), the Director ORDERS California Casualty
4 to CEASE AND DESIST from violating ORS 742.554(2) and OAR 836-080-0240(3)(b)
5 and (4).

6 12. As authorized by ORS 731.988(1), the Director ORDERS California Casualty
7 to pay \$40,000 in CIVIL PENALTIES, allocated as follows:

8 A. \$15,000 for failure to provide claimants with the required Oregon total loss
9 notice, in violation of ORS 742.554(2) and OAR 836-080-0240(4), and

10 B. \$25,000 for failure to include all applicable taxes and fees in cash settlement
11 payments for total loss claims, in violation of OAR 836-080-0240(3)(b).

12 13. The Director SUSPENDS \$15,000 of the civil penalties, provided California
13 Casualty does not violate ORS 742.554(2) and OAR 836-080-0240(3)(b) and (4) or the
14 terms of this Order. If California Casualty fails to satisfy these conditions, the suspended
15 civil penalties becomes immediately due and owing. Otherwise, the Director will waive
16 the suspended civil penalties three years after the date of this Order.

17 14. Along with this Order, California Casualty shall submit to the Director \$25,000
18 as payment for the non-suspended civil penalties.

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1 15. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
2 provision, entry of this Order does not limit or prevent further remedies available to the
3 Director under Oregon law to enforce this Order or take action for violations of this Order
4 or of the Insurance Code not covered by this Order.

5
6 SO ORDERED this 30th day of May, 2024.

7
8 ANDREW R. STOLFI, Director
9 Department of Consumer and Business Services

10 /s/ Dorothy Bean
11 Dorothy Bean, Chief of Enforcement
12 Division of Financial Regulation

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1 **ENTITY CONSENT TO ENTRY OF ORDER**

2 I, Todd Madsen, am an officer or manager of California Casualty
3 General Insurance Company of Oregon (“California Casualty” or the “company”), and I
4 am authorized to act and sign on its behalf. I have read the foregoing Order, and I know
5 and fully understand the contents hereof. The factual allegations stated herein are true and
6 correct. I have been advised of California Casualty’s right to a hearing and right to be
7 represented by counsel in this matter. California Casualty voluntarily consents to the entry
8 of this Order without any force or duress, expressly waiving any right to a hearing in this
9 matter, as well as any rights to administrative or judicial review of this Order. California
10 Casualty understands that the Director reserves the right to take further action against the
11 company to enforce this Order or to take appropriate action upon discovery that California
12 Casualty has committed other violations of the Insurance Code. California Casualty, along
13 with its officers, directors, employees, or agents, will fully comply with the terms and
14 conditions stated herein.

15 California Casualty understands that this Order is a public document.

16
17 Signature: /s/ Todd Madsen

18 Position Held: Vice President - Claims

19 State of Colorado

20 County of El Paso

21 Signed or attested before me by Nathaniel Lackey on this 16th day
22 of May, 2024.

23
24 /s/ Nathaniel Lackey

25 Notary Public
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