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

In the Matter of: TOYOTA MOTOR INSURANCE SERVICES, INC., Respondent.	Case No. INS-25-0031 FINAL ORDER ASSESSING PREMIUM TAXES, INTEREST, AND FEES, ENTERED BY CONSENT

The Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), through the Division of Financial Regulation (the "Division") and pursuant to 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"), reviewed the business activities of Toyota Motor Insurance Services, Inc. ("Respondent") and determined that an administrative order is appropriate for the purpose of assessing premium taxes, interest, and fees against Respondent.

Now, therefore, as evidenced by the signatures subscribed in this Order, Respondent hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law below.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. Respondent, a California corporation, is a wholly owned subsidiary of Toyota Motor Credit Corporation, a California corporation. Respondent's principal place of business is at 6565 Headquarters Drive W2-5A, Plano, Texas 75024.

2. Prior to October 1, 2017, Respondent's principal place of business was in California.

3. Independently-owned automobile dealerships sell vehicle service contracts ("VSCs") to consumers. Respondent is the obligor on these VSCs.

4. Respondent insures its risk under these VSCs by entering into risk transfer agreements with dealer-owned insurance companies. No insured risk is located in Texas, and, for certain risk transfer agreements, the greatest percentage of insured risk is located in Oregon.

5. The dealer-owned insurance companies used by Respondent are not authorized to do insurance business in Oregon.

6. On April 5, 2023, Respondent voluntarily informed the Surplus Line Association of Oregon (the "SLA") that it owed and intended to pay Oregon outstanding premium taxes dating back to October 2017, when it moved its principal place of business from California to Texas, for independently procuring insurance covering Oregon home state risks. That same day, SLA forwarded the information Respondent provided to the Division.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

7. The Director has jurisdiction over Respondent's business activities under ORS 731.236.

8. The dealer-owned insurance companies described in paragraphs 4 and 5 of this Order are "non-admitted insurers" under ORS 735.405(10).

9. Each risk transfer agreement between Respondent and dealer-owned insurance companies described in paragraph 4 of this Order are "independently procured insurance" under ORS 731.099.

10. Because no risk covered by Respondent's independently procured insurance is located in Texas, and the greatest percentage of insured risk under certain risk transfer agreements is located in Oregon, the "home state" under ORS 735.405(8)(b) for the

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purpose of calculating Respondent's premium taxes is Oregon.

11. ORS 735.417(1) and (3)(a) and OAR 836-071-0501(4) require Respondent to file a report containing certain information ("Report") with the SLA within 30 days after the date the independently procured insurance was procured, continued, or renewed.

12. ORS 735.417(2) requires Respondent to pay the Director the premium tax at the time of the filing of the Report. The premium tax due is equal to the tax that would be imposed under ORS 735.470.

13. ORS 735.417(3)(b) allows the Director to require the premium tax under ORS 735.417(2) to be paid to the SLA.

14. Under ORS 82.010(1), the interest rate for outstanding premium taxes is 9% per annum.

15. ORS 735.430(4)(b) allows the SLA to charge Respondent a fee for collecting reports and taxes imposed under ORS 735.417.

ORDERS

Now therefore, the Director issues the following Orders:

16. Pursuant to ORS 735.417(1) and (3)(a) and OAR 836-071-0501(4), the Director ORDERS Respondent to file with the SLA all required outstanding Reports under ORS 735.417(1) by September 30, 2025.

17. Pursuant to ORS 735.417(2) and (3)(b), ORS 82.010(1), and ORS 735.430(4)(b), the Director ORDERS Respondent to remit to the SLA $791,526.75 in taxes, interest, and fees by September 30, 2025. The taxes, interest, and fees are broken down as follows:

A. $684,485.77 in outstanding premium taxes for independently procured insurance from October 2017 to June 2025;

B. $103,040.98 for interest on the outstanding premium taxes from October 2017 to April 2023, when Respondent first voluntarily reported that it owed and intended to pay

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the outstanding premium taxes; and

C. $4,000 in service fees charged by the SLA.

18. The due date for submitting future Reports required under ORS 735.417(1) and paying premium taxes and fees assessed under ORS 735.417(2) and ORS 735.430(4)(b) to the SLA shall be extended five working days to allow for Respondent's operational processing.

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

SO ORDERED this 19th day of September, 2025.

SEAN E. O'DAY, Interim Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, James Schofield, am an officer or director of Toyota Motor Insurance Services, Inc. ("Respondent"), and I am authorized to act and sign on its behalf. I have read the foregoing Order, and I know and fully understand the contents hereof. The factual allegations stated herein are true and correct. I have been advised of Respondent's right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take action against the company to enforce this Order or to take appropriate action upon discovery that Respondent has committed other violations of the Insurance Code. Respondent, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

Respondent understands that this Order is a public document.

Signature: */s/ James Schofield*

Position Held: Chief Financial Officer

State of Texas

County of Collin

Signed or attested before me by James Schofield on this 15th day of September, 2025.

/s/ Said El Bahri

Notary Public

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