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

In the Matter of: VIKING INSURANCE COMPANY OF WISCONSIN, Respondent.	Case No. INS-23-0040 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 Viking Insurance Company of Wisconsin ("Viking Insurance" or the "company") and determined that the company 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 the rules promulgated thereunder (collectively, the "Insurance Code").

Viking Insurance cooperated with the Director's investigation and wishes to settle this matter.

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

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. Viking Insurance is a foreign corporation domiciled in Wisconsin. Its principal place of business is 1800 North Point Drive, Stevens Point, Wisconsin 54481.

//

2. The company has been licensed in Oregon as a foreign insurer since October 1973. Its National Association of Insurance Commissioners Company Code Number is 13137.

3. From January 1, 2020 to May 31, 2022, Viking Insurance received 351 vehicle total loss claims in Oregon. The company did not send insureds or third-party owners the required valuation or appraisal reports it used to determine the amount of cash settlement in 34 of the claims.

4. The company also did not send insureds or third-party owners the required total loss notice for cash settlements in 322 of the claims.

5. In one claim, Viking Insurance processed and paid a cash settlement without including in the payment all the applicable taxes and fees incident to the transfer of ownership of a comparable vehicle. Following the Division's investigation, the company paid the applicable taxes and fees plus interest on the claim.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

6. The Director has jurisdiction over Viking Insurance's business activities under ORS 731.236.

7. By failing to send insureds or third-party owners the required valuation or appraisal reports it used to determine the amount of cash settlements, Viking Insurance violated ORS 742.554(1) and Oregon Administrative Rule ("OAR) 836-080-0240(3)(a).

8. By failing to send insureds or third-party owners the required Oregon total loss notice for cash settlements, Viking Insurance violated ORS 742.554(2) and OAR 836-080-0240(4).

9. By failing to include all the applicable taxes and fees in a cash settlement payment for one total loss claim, Viking Insurance violated OAR 836-080-0240(3)(b).

//

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

10. ORS 731.252(1) authorizes the Director to order Viking Insurance to cease and desist from violating ORS 742.554(1)-(2) and OAR 836-080-0240(3)(a)-(b) and (4).

11. ORS 731.988(1) authorizes the Director to assess against Viking Insurance a civil penalty of up to $10,000 per violation of the Insurance Code.

ORDERS

Now therefore, the Director issues the following Orders:

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

2. As authorized by ORS 731.988(1), the Director ORDERS Viking Insurance to pay a $36,000 in CIVIL PENALTIES, allocated as follows:

A. $10,000 for failing to provide insureds or third-party owners the required valuation or appraisal reports, in violation of ORS 742.554(1) and OAR 836-080-0240(3)(a).

B. $25,000 for failing to provide insureds or third-party owners the required Oregon total loss notice for cash settlements, in violation of ORS 742.554(2) and OAR 836-080-0240(4).

C. $1,000 for failing to include all applicable taxes and fees in a cash settlement payment for a claim, in violation of OAR 836-080-0240(3)(b).

3. The Director SUSPENDS $16,000 of the civil penalties, provided Viking Insurance does not violate ORS 742.554(1)-(2) and OAR 836-080-0240(3)(a)-(b) and (4) or the terms of this Order. If Viking Insurance fails to satisfy these conditions, the suspended civil penalties will become immediately due and owing. Otherwise, the Director will waive the suspended civil penalties three years after the date of this Order.

4. Along with this Order, Viking Insurance shall submit to the Director $20,000 as payment for the non-suspended civil penalties.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

5. This Order 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 12th day of September, 2023.

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

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

[The remainder of this page is intentionally left blank.]

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

ENTITY CONSENT TO ENTRY OF ORDER

I, Timothy K. Kovak, am an officer or manager of Viking Insurance Company of Wisconsin ("Viking Insurance"), 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 the right to a hearing and of the right to be represented by counsel in this matter. Viking Insurance voluntarily consents to the entry of this Order without 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. Viking Insurance understands that the Director reserves the right to take further action against it to enforce this Order or to take appropriate action upon discovery that Viking Insurance has committed other violations of the Insurance Code. Viking Insurance, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

Viking Insurance understands that this Order is a public document.

Signature: /s/ Timothy K. Kovak

Position Held: Secretary

State of WISCONSIN

County of PORTAGE

Signed or attested before me on this 16th day of August, 2023.

/s/ April R. Szydel
April R. Szydel
Notary Public
My Commission expires: June 1, 2026

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387