

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

In the Matter of **Farmers Insurance Company**) **STIPULATION** and
of **Oregon**) **FINAL ORDER**
) Case No. INS 05-06-011

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 Farmers Insurance Company of Oregon (Farmers).

Farmers enters into this stipulation, pursuant to ORS 183.415(5).

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

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

Facts and Conclusions

Licensing Information

Farmers has been licensed in Oregon as a domestic insurer since 9/15/70. Farmers' last recorded principal business address is located in Tigard, Oregon.

Failed to Timely Respond to Communication About Claim

Farmers violated OAR 836-080-0225(3) in 11 instances by engaging in the following conduct. OAR 836-080-0225(3) requires an insurer that receives from a claimant a communication about a claim that reasonably indicates that a response is expected, other than the initial notification of the claim, to appropriately reply within 30 days after receipt. From 11/1/01 to 10/21/04, Farmers received from 11 claimants 18 communications about claims, other than the initial notification of the claim, that reasonably indicated that a response was expected. In each instance, Farmers did not reply to the communication within 30 days after Farmers received the communication.

Action

Pursuant to ORS 731.988, Farmers is assessed a civil penalty of \$11,000. 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 is due on, and shall be received by the Insurance Division by, the date of the final order.

Dated June 20, 2005

/s/ Bennett L. Katz
[Signature of Representative]

Bennett L. Katz
[Printed Name of Representative]

AVP - Regulatory Affairs
[Printed Title of Representative]

Farmers Insurance Company of Oregon

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 August 10, 2005

/s/ Cory Streisinger
Cory Streisinger
Director
Department of Consumer and Business Services

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