STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **U.S. Specialty Insurance Company**	)	**STIPULATION** and
	)	**FINAL ORDER**
	)	Case No. INS 06-04-024

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 U.S. Specialty Insurance Company (U.S. Specialty).

U.S. Specialty desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

U.S. Specialty waives all rights relative to an administrative hearing and judicial review thereof.

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

Facts and Conclusions

Licensing Information

U.S. Specialty has been licensed in Oregon as a foreign insurer since 5/13/88. U.S. Specialty's last recorded principal business address is located in Houston, Texas.

Filed Special Oregon Schedule P Late

U.S. Specialty is subject to enforcement action pursuant to ORS 731.574(1) because of the following circumstances. ORS 731.574(1) requires a person that is licensed in Oregon as an insurer to file with the director an annual financial statement, and permits the director to require such person to file additional information. Oregon Administrative Rules (OAR) 836-011-0000(3) requires such person to file certain types of additional information, each called a supplement, as specified in the applicable National Association of Insurance Commissioners (NAIC)

annual statement instructions and in accordance with such instructions. One supplement is called a Special Oregon Schedule P. A Special Oregon Schedule P is required to be filed by March 1 of each year for the previous year. U.S. Specialty was required to file its Special Oregon Schedule P for 2005 by 3/1/06. However, U.S. Specialty filed its Special Oregon Schedule P on 3/10/06, nine days late.

Action

Pursuant to ORS 731.988, U.S. Specialty is assessed a civil penalty of $900.00. 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 shall be *received* by the Insurance Division by the date of the final order.

Dated June 12, 2006

/s/ Fred H. Neben
[Signature of Representative]
Fred H. Neben
[Printed Name of Representative]
Senior Statutory Accounting Coordinator
[Printed Title of Representative]
U.S. Specialty Insurance 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 August 9, 2006

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

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