STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Pacific Employers Insurance Company**	)	**STIPULATION** and
	)	**FINAL ORDER**
	)	Case No. INS 06-05-033

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 Pacific Employers Insurance Company (Pacific Employers).

Pacific Employers desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

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

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

Facts and Conclusions

Licensing Information

Pacific Employers has been licensed in Oregon as a foreign insurer since7/2/42. Pacific Employers's last recorded principal business address is located in Philadelphia, Pennsylvania.

Filed OIGA Recoupment Assessment Certification Late

Pacific Employers is subject to enforcement action pursuant to Oregon Administrative Rules (OAR) 836-031-0855(8) because of the following circumstances. ORS 734.550 requires all insurers who are licensed in Oregon as insurers and authorized to transact generally property and casualty insurance to be members of the Oregon Insurance Guaranty Association (OIGA). ORS 734.570(3) requires OIGA to assess from time to time as needed their member insurers an amount necessary to pay OIGA's expenses. If OIGA assesses their member insurers, then ORS 734.579(1) requires a member insurer to assess their policyholders an amount necessary to

recoup the OIGA assessment. If a member insurer assesses their policyholders, then ORS 734.579(2) requires the insurer to annually certify to the director certain information about their OIGA and recoupment assessments. OAR 836-031-0855(8) requires a member insurer to file their certification on a form specified by the director by June 1 of each year following the completion of a 12-month recoupment assessment period referred to in OAR 836-031-0855(6). At all relevant times, Pacific Employers was a member insurer of OIGA, was assessed by OIGA, assessed its policyholders, and completed a recoupment assessment period. For 2004 only, the director extended the due date from 6/1/05 to 11/2/05. Thus, Pacific Employers was required to file their certification for 2004 by 11/2/05. However, Pacific Employers filed their certification on 11/28/05, 26 days late.

Action

Pursuant to ORS 731.988, Pacific Employers is assessed a civil penalty of $2,600. 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 July 7, 2006

/s/ Frank L. Syska
[Signature of Representative]
Frank L. Syska
[Printed Name of Representative]
Assistant Vice President
[Printed Title of Representative]

Pacific Employers 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 31, 2006

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