STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Employers' Fire Insurance Company**	)	**STIPULATION and FINAL ORDER**
	)	Case No. INS 12-06-007

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 Employers' Fire Insurance Company (Employers' Fire).

Employers' Fire desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

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

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

Facts and Conclusions

Licensing Information

Employers' Fire has been licensed in Oregon as a foreign insurer since 6/22/1922. Employers' Fire's Oregon Insurance Division company number is 1093, NAIC entity number is 20648, and federal employer identification number (FEIN) is 04-1288420. Employers' Fire's last recorded principal place of business address is 150 Royall Street, Canton, MA 02021-1030; and telephone number is 781-332-7000.

Filed OIGA Recoupment Assessment Certification Late

Employers' Fire 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 that 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 its member insurers an amount necessary to pay OIGA's expenses. If OIGA assesses its member insurers, then a member insurer shall either recoup the assessment from its insureds pursuant to ORS 734.579(1), or expense any unrecouped assessment pursuant to OAR 836-031-0855(7), or carry over to the following 12-month period described in OAR 836-031-055(6) any unrecouped assessment pursuant to OAR 836-031-0855(11). However, if a member insurer chooses to recoup its assessment from its insureds, it may not recoup more than its assessment. If a member insurer recoups more than its assessment, then it must either payback the excess to insureds or carry over the excess pursuant to OAR 836-031-0855(9). If a member insurer carries over the excess, then it must either payback the excess to insureds, or, if permitted, pays the excess to OIGA pursuant to OAR 836-031-0855(10). A member insurer must annually certify to the director the total amount recouped if any during the previous year and that any amount recouped does not exceed the assessment pursuant to ORS 734.579(2). A member insurer must file the certification, on a form prescribed by the director, by June 1 of each year pursuant OAR 836-031-0855(8). At all relevant times, Employers' Fire was a member insurer of OIGA, was assessed by OIGA, and either recouped, or expensed, or carried over, some or all of the assessment. Employers' Fire was required to file its certification for 2011 by 6/1/12. Employers' Fire filed its certification for 2011 on 6/11/12, eleven days late.

Action

Pursuant to ORS 731.988(1), Employers' Fire is assessed a civil penalty of $1,100.00. 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 or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, OR 97301-3880; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be received by the Insurance Division before the date of the final order.

Dated August 15, 2012

/s/ David G. Clancy
[Signature of Representative]
David G. Clancy
[Printed Name of Representative]
Assistant Treasurer
[Printed Title of Representative]

Employers' Fire 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 21, 2012

/s/ Louis Savage
Louis Savage
Insurance Commissioner
Insurance Division
Department of Consumer and Business Services

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