

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

In the Matter of **Chartis Property Casualty Insurance Company** ) **STIPULATION** and  
 ) **FINAL ORDER**  
 ) Case No. INS 11-07-004

**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 Chartis Property Casualty Insurance Company (Chartis PC).

Chartis PC desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

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

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

**Facts and Conclusions**

Licensing Information

Chartis PC, formerly known as AIG Casualty Company and Birmingham Fire Insurance Company of Pennsylvania, has been licensed in Oregon as a foreign insurer since 1/20/48. Chartis PC's Oregon Insurance Division company number is 1045, NAIC entity number is 19402, and federal employer identification number (FEIN) is 25-1118791.

Over Recouped OIGA Assessment from Insureds

Chartis PC is subject to enforcement action pursuant to ORS 734.579(1) because of the following circumstances. ORS 734.550 requires a person that is licensed in Oregon as an insurer and authorized to transact generally property and casualty insurance to be a member 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 ORS 734.579(1) requires a member insurer to recoup its assessment from its insureds, unless otherwise permitted by Oregon Administrative Rules (OAR) 836-031-0855. *However, if a member insurer recoups its assessment from its insureds, it may not recoup more than its assessment.* Chartis PC was a member insurer of OIGA and was assessed by OIGA. Chartis PC had recouped all of its assessment by 2005. However, Chartis PC continued to recoupe \$4,295 in 2008.

### **Action**

Pursuant to ORS 731.988(1), Chartis PC is assessed a civil penalty of \$10,000. 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 or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, Oregon 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 by the date of the final order.

Dated November 11, 2011

/s/ Adam Reed

[Signature of Representative]

Adam Reed

[Printed Name of Representative]

Assistant Vice President

[Printed Title of Representative]

Chartis Casualty 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 January 24, 2012

/s/ Patrick M. Allen

Patrick M. Allen

Director

Department of Consumer and Business Services