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

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In the Matter of **Navigators Insurance Company**  )  **STIPULATION** and
                                                          )  **FINAL ORDER**
                                                           )  Case No. INS 12-04-004

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**STIPULATION**

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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 Navigators Insurance Company (Navigators).

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

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

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

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**Facts and Conclusions**

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Licensing Information

Navigators has been licensed in Oregon as a foreign insurer since 11/20/90. Navigators' Oregon Insurance Division company number is 2829, NAIC entity number is 42307, and federal employer identification number (FEIN) is 13-3138390. Navigators' last recorded principal place of business address is Reckson Executive Park, 6 International Drive Suite 100, Rye Brook, NY 10578-1070; and telephone number is 914-934-8999.

Failed to Timely Respond to Director's Inquiry

Navigators is subject to enforcement action pursuant to ORS 731.296 because of the following circumstances. ORS 731.296 requires a person that is licensed in Oregon in any capacity under the Insurance Code to promptly and truthfully respond to an inquiry from the director. On 11/19/10, the director mailed by regular mail a letter dated 11/19/10 to Navigators at 433 California Street Suite 300, San Francisco, CA 94104-2007. The letter requested Navigators to provide certain information to the director by 12/17/10. On 11/29/10, Navigators received the letter. On 3/14/11, 87 days late, the director received by e-mail from Navigators a letter dated 3/15/11 containing the requested information.

<u>Failed to Notify Claimant of Additional Time Needed to Accept or Deny Claim</u>

Navigators is subject to enforcement action pursuant to OAR 836-080-0235(4) because of the following circumstances.  OAR 836-080-0235(4) requires an insurer that receives from a first party claimant a proof of loss of a claim but needs more time to investigate the claim, to notify the claimant within 30 days after receiving the proof of loss, and notify the claimant in writing every 45 days thereafter while the investigation remains incomplete, why the insurer needs more time to investigate the claim.  From 1/1/09 to 11/30/11, in an estimated 218 instances, Navigators received from a claimant a claim for general liability or inland marine insurance benefits, needed more time to investigate the claim, and notified the claimant within 30 days that Navigators received the claim, but failed to notify the claimant in writing every 45 days thereafter why Navigators needed more time to investigate the claim.

## Action

Pursuant to ORS 731.988(1), Navigators is assessed a civil penalty of $17,000.00.  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 by the date of the final order.

Dated May 8, 2012        /s/ Sherry J. Little
                         [Signature of Representative]
                         Sherry J. Little
                         [Printed Name of Representative]
                         Vie President, US Compliance
                         [Printed Title of Representative]

                         Navigators 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 May 16, 2012       /s/ Patrick M. Allen
                         Patrick M. Allen
                         Director
                         Department of Consumer and Business Services