STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Freestone Insurance Company**	)	**STIPULATION and**
	)	**FINAL ORDER**
	)	Case No. INS 14-03-009

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director), and through the Insurance Division, commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Freestone Insurance Company (Freestone).

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

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

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

Freestone understands that the stipulation and final order is a public record and shall be posted permanently on the Insurance Division's website.

Facts and Conclusions

Licensing Information

Freestone, formerly Dallas National Insurance Company, has been licensed in Oregon as an insurer since 11/16/1995. Freestone's NAIC number (cocode) is 32271 and federal employer identification number is 95-4139154. Freestone's last recorded business mailing address is 5501 LBJ Freeway Suite 1200, Dallas, TX 75240-2300; and telephone number is 800-533-0457 and 972-233-0178.

Filed Special Oregon Schedule P Late

Freestone is subject to enforcement action pursuant to ORS 731.574(1) because of the following circumstances. ORS 731.574(1) requires a person who is licensed in Oregon as an insurer to file with the director an annual financial statement, and permits the director to require additional information. In the annual statement instructions, the director requires an insurer that is authorized to transact workers' compensation insurance in Oregon to file

additional information about the insurer's workers' compensation premiums and losses during the preceding calendar year and calculate the amount of the insurer's special workers' compensation deposit required by ORS 731.628. An insurer is required to file the additional information even if the insurer did not have any premiums or losses in Oregon during the preceding calendar year. The additional information is reported on a form called a Special Oregon Schedule P. A Special Oregon Schedule P is required to be filed by March 1 of each year for the preceding calendar year. At all relevant times, Freestone was authorized to transact workers' compensation insurance in Oregon and filed its Special Oregon Schedule P for 2013. Freestone was required to file its Special Oregon Schedule P for 2013 by 3/3/14. Freestone filed its Special Oregon Schedule P for 2013 on 3/5/13, two days late.

Action

Pursuant to ORS 731.988(1), Freestone is assessed a civil penalty of $200. 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 4/10/14

[Signature of Representative]

Eric Vogelsberg
[Printed Name of Representative]

Chief Financial Officer
[Printed Title of Representative]

Freestone 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 09 2014

Laura N. Cali, FCAS, MAAA
Insurance Commissioner and Chief Actuary