

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-19-0067

HARTFORD INSURANCE COMPANY OF
THE MIDWEST, an Indiana Corporation,

Respondent.

ORDER TO CEASE AND DESIST,
FINAL ORDER ASSESSING CIVIL
PENALTY, AND CONSENT TO
ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 (“Insurance Code”), has conducted an investigation into the activities of Hartford Insurance Company of the Midwest (“Respondent”) and determined that Respondent engaged in violations of the Insurance Code.

Respondent, without admitting or denying the Director’s findings of fact or conclusions of law, wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has held an Oregon foreign insurer license since August 6, 1982. Respondent’s NAIC number is 37478. Respondent’s principal place of business is One Hartford Plaza, HO-1-19-3, Hartford, CT 06155.
2. Respondent issues automobile insurance policies which cover third-party bodily injuries.
3. From on or around September 16, 2015 through on or around October 21, 2018,

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1 Respondent attempted to settle 56 third-party bodily injury claims in which:

2 (A) The claimant was an Oregon resident;

3 (B) The claimant was not represented by an attorney; and

4 (C) The claim did not resolve within sixty days of the expiration of its two-
5 year statute of limitations.

6 4. Of those 56 claims, Respondent failed to provide nineteen claimants (the
7 “Oregon Claimants”) with written notice of their claim’s impending expiration at least
8 sixty days prior to expiration. The Oregon Claimants are identified as follows:

9 NAME	DATE OF LOSS	NOTICE DUE	NOTICE SENT
10 SD	3/13/15	1/12/17	None
11 DH	7/7/14	5/6/16	None
12 TG	2/24/14	12/24/15	None
13 DD	8/7/16	6/8/18	7/6/18
14 JH	3/25/16	1/24/18	None
15 CHV	9/6/16	7/6/18	8/30/18
16 CC	11/23/14	9/23/16	None
17 JM	4/20/16	2/16/18	None
18 KK	4/14/14	2/12/16	None
19 JS	5/1/16	3/2/18	None
20 JC	7/15/15	5/16/17	None
21 TF	10/13/14	8/12/16	8/31/16
22 RU	5/24/15	3/24/17	None
23 SL	5/11/14	3/11/16	3/29/16
24 KS	12/10/15	10/11/17	10/26/17
25 HS	10/17/14	8/18/16	None
26			

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1	NAME	DATE OF LOSS	NOTICE DUE	NOTICE SENT
2	VS	5/5/16	3/6/18	9/5/18
3	JO	10/18/16	8/17/18	10/17/18
4	DN	11/15/13	9/16/15	None

5
6 5. Respondent extended or waived the Oregon Claimants’ expiration deadlines to
7 prevent the denial of their claims.

8 6. Respondent has provided additional training to its Oregon claim handlers to
9 ensure that written notices are timely sent.

10 7. Respondent has implemented a system that generates a monthly report
11 identifying all claims with impending written notice deadlines.

12 **CONCLUSIONS OF LAW**

13 The Director **CONCLUDES** that:

14 8. By failing to provide the Oregon Claimants with written notice of the
15 impending expiration of their claims within sixty days of the claims’ expirations,
16 Respondent violated Oregon Administrative Rule (“OAR”) 836-080-0235(6).

17 9. Because the Director has reason to believe that Respondent has been engaged
18 in the foregoing violation of the Insurance Code, the Director may issue an order to
19 Respondent to cease and desist under ORS 731.252(1).

20 10. Under ORS 731.988(1), the Director may impose a civil penalty of up to
21 \$10,000 *per violation* upon any person who violates a provision of the Insurance Code.

22 **ORDERS**

23 Now therefore, the Director issues the following Orders:

24 11. Based upon the foregoing and as authorized by ORS 731.252(1), the Director
25 **ORDERS** Respondent to **CEASE AND DESIST** from violating OAR 836-080-0235(6).

26 12. Based upon the foregoing and as authorized by ORS 731.988(1), the Director

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1 ORDERS that Respondent be subject to a CIVIL PENALTY of \$100,000 for violating
2 OAR 836-080-0235(6) in 19 instances.

3 13. The Director hereby suspends payment of \$50,000 of the CIVIL PENALTY for
4 a period of three years, provided Respondent:

5 (A) Pays the remaining \$50,000 of the CIVIL PENALTY pursuant to the
6 terms of this Order; and

7 (B) Does not violate OAR 836-080-0235(6) within the three-year time
8 period.

9 14. The non-suspended portion of the CIVIL PENALTY assessed herein (\$50,000)
10 is due and payable on the effective date of this Order.

11 15. The suspended CIVIL PENALTY (\$50,000) will be waived three years from
12 the effective date of this Order, provided Respondent has complied with the foregoing
13 Order terms. The Director reserves the right to immediately assess and collect the
14 suspended civil penalty upon a determination that Respondent has violated any term of this
15 Order.

16 16. This Order is binding upon Respondent's successors and assigns.

17 SO ORDERED this 12th day of November, 2019.

18
19 LOUIS SAVAGE, Acting Director
20 Department of Consumer and Business Services

21 /s/ Dorothy Bean
22 Dorothy Bean, Chief of Enforcement
23 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Stephanie Raymond, state that I am an officer of Respondent and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of Respondent’s right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will effect insurance services in Oregon unless such activities are in full compliance with the Insurance Code. Respondent understands that this Consent Order is a public document.

Signature: /s/ Stephanie Raymond

Position Held: AVP

State of Connecticut

County of Hartford

Signed or attested before me on this 29th day of October, 2019

by Stephanie Raymond.

/s/ Patricia A. Moore

Notary Public

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