

	1	FINDINGS OF FACT
	2	The Director FINDS that:
	3	1. Respondent has been licensed as a foreign insurer since February 8, 2018 and
	4	provides property and casualty products in Oregon. Respondent's principle place of
	5	business is 80 E. Rich Street, Suite 500, Columbus, OH, 43215. Respondent's National
	6	Association of Insurance Commissioners company code is 10974.
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	8	concern that an online quote for a motor vehicle liability policy was obtained at
	9	https://www.joinroot.com which did not include uninsured motorist coverage and
	10	underinsurance coverage.
	11	3. On December 5, 2019, the Division began a market analysis review of
	12	Respondent's insurance related activities concerning Oregon's motor vehicle liability
	13	requirements.
	14	4. The market analysis review revealed that, from February 8, 2018 through
	15	January 15, 2020, Respondent issued 8,433 motor vehicle liability policies, including
	16	renewals, to 5,899 Oregon consumers ("Policyholders") without uninsured motorist
egulation ilding uite 410 387	17	coverage and underinsurance coverage.
al Reguiss Buildi Se Buildi NE, Suite 881 78-4387	18	5. On January 15, 2020, Respondent explained to the Division that the
Division of Financi Labor and Industrie 350 Winter Street N Salem, OR 97301-3 Telephone: (503) 3	19	Policyholders "were subject to a technical anomaly that inadvertently enabled
	20	declination of uninsured/underinsured coverage." On February 25, 2020, Respondent sent
	21	a letter to the Division describing the technical anomaly. <sup>1</sup>
	22	6. Of the 5,899 Policyholders described in Paragraph four above, 54 Policyholders
	23	
	24	<sup>1</sup> Specifically, Respondent stated the following: "Like all insurers, Root provides state-specific coverage
	25	offerings to consumers during the application process and for any resulting quotes. The Company also provides state-specific information to its policyholders after bind, including policy-related documents, such
	26	as the state amendatory endorsement, and other required disclosures. Unfortunately, when the Oregon system was designed, the feature that enabled policyholders to decline UM/UIM coverage at higher bodily injury limits also inadvertently permitted policyholders to decline that coverage entirely."

("Claimants") had claims for which Respondent originally determined were not covered
 because the Claimant did not have uninsured motorist coverage and underinsurance
 coverage.

7. Respondent has timely provided additional information to the Division and has
initiated contact with the 54 Claimants described in Paragraph six above. Based on
information already provided to the Division, Respondent has been in contact with the
majority of Claimants. Respondent continues to attempt contact with the remaining
Claimants.

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## CONCLUSIONS OF LAW

The Director CONCLUDES that:

8. Pursuant to ORS 731.252(1), whenever the Director has reason to believe that
any person has been engaged or is engaging or is about to engage in any violation of the
Insurance Code, the Director may issue an order, directed to such person, to discontinue or
desist from such violation or threatened violation.

9. Pursuant to ORS 731.256(2)(a), the Director may seek restitution on a
consumer's behalf for actual damages the consumer suffers as a result of the insurer's
violation of a provision of the Insurance Code or applicable federal law or the insurer's
breach of an insurance contract or policy the insurer has with the consumer.

19 10. Pursuant to ORS 742.502(1), every motor vehicle liability policy that insures 20 against a loss that a natural person suffers and that results from liability imposed by law 21 for bodily injury or death that arises out of owning, maintaining or using a motor vehicle 22 shall provide in the policy or by indorsement on the policy uninsured motorist coverage if 23 the policy is either issued for delivery in this state or issued or delivered by an insurer that 24 does business in this state with respect to any motor vehicle then principally used or 25 principally garaged in this state.

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11. Pursuant to ORS 742.502(2)(a), uninsured motorist coverage must include

1	underinsurance coverage for bodily injury or death caused by accident and arising out of		
2	the ownership, maintenance or use of a motor vehicle with motor vehicle liability insurance		
3	that provides recovery in an amount that is less than the sums that the insured or the heirs		
4	or legal representative of the insured is legally entitled to recover as damages for bodily		
5	injury or death that is caused by accident and that arises out of owning, maintaining or		
6	using an uninsured vehicle.		
7	12. Pursuant to ORS 731.988(1), the Director may impose a civil penalty of up to		
8	\$10,000 per violation upon any person who violates a provision of the Insurance Code.		
9	ORDERS		
10	Now therefore, the Director issues the following Orders:		
11	13. As authorized by ORS 731.252(1), the Director ORDERS Respondent to		
12	CEASE AND DESIST from violating ORS 742.502.		
13	14. Based upon the foregoing and as authorized by ORS 731.256(2)(a), the Director		
14	ORDERS that Respondent make restitution to the Claimants described in Paragraph six		
15	above, as follows:		
16	A. Respondent shall continue to make every reasonable effort to contact each		

Respondent shall continue to make every reasonable effort to contact each A. Claimant, including but not limited to contact by letter, phone call, email, and/or text message.

B. After making contact with the Claimant, Respondent shall inform the Claimant that they are entitled to uninsured/underinsured motorist benefits.

C. Respondent shall determine the amount of uninsured/underinsured motorist 22 benefits to which the Claimant is entitled and, if uninsured/underinsured motorist benefits 23 are due, pay that amount to the Claimant within 30 days of the first date of contact with 24 the Claimant for purposes of making restitution under this Order.

25 D. Within 90 days after the effective date of this Order, for each of the Claimants, Respondent will notify the Division of the result of the claim, including but not limited to 26

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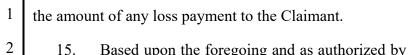
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2 15. Based upon the foregoing and as authorized by ORS 731.988(1), the Director
3 ORDERS that Respondent pay a total CIVIL PENALTY of \$50,000 for 8,433 violations
4 of ORS 742.502 as described in Paragraph four above.

- 5 16. The \$50,000 total CIVIL PENALTY assessed herein is due and payable at the
  6 time this Order is returned to the Director.
- 7 17. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that
  8 provision, entry of this Order in no way limits or prevents further remedies, sanctions, or
  9 actions which may be available to the Director under Oregon law to enforce this Order, for
  10 violations of this Order, for conduct or actions of Respondent that are not covered by this
  11 Order, or against any party not covered by this Order.
  - SO ORDERED this <u>10<sup>th</sup></u> day of <u>December</u>, 2020.

ANDREW R. STOLFI, Director Department of Consumer and Business Services

/s/ Dorothy Bean Dorothy Bean, Chief of Enforcement Division of Financial Regulation

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