

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

In the Matter of:

Case No. INS-20-0054

ROOT INSURANCE COMPANY,

Respondent.

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

THIS IS A FINAL 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 insurance related activities of Root Insurance Company (“Respondent”).

Respondent submits to the Director’s jurisdiction and agrees to waive its rights to notice and an administrative hearing that arise under ORS 183.415 and wishes to resolve this matter by consenting to entry of this Final Order.

WHEREAS, Respondent has cooperated with the Division of Financial Regulation (the “Division”) by responding to inquiries, providing documentary evidence and other materials, and providing the Division with access to facts relating to the investigation; and

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 authorized signatures subscribed on this document, Respondent hereby CONSENTS to entry of this order upon the Director’s Findings of Fact and Conclusions of Law as stated hereafter.

Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387



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.

7 2. On March 8, 2020, Oregon Governor Kate Brown signed Executive Order 20-  
8 03, which declared a state of emergency due to the COVID-19 outbreak in Oregon under  
9 ORS 401.165.

10 3. On March 25, 2020, the Director issued a temporary emergency order<sup>1</sup>  
11 ("Emergency Order") to all insurers transacting insurance in Oregon in response to the  
12 COVID-19 outbreak, effective March 25, 2020 through April 23, 2020.

13 4. The Emergency Order required, in relevant part, that all insurers immediately  
14 take the following actions regarding cancellations and non-renewals:<sup>2</sup>

15 A. Suspend all cancellations and non-renewals for all active insurance policies in  
16 the state until the Order was no longer in effect, and;

17 B. For insurance policies in the state not yet cancelled or non-renewed as of the  
18 date of the Order, but for which a notice of cancellation or non-renewal had been issued,  
19 insurers were required to withdraw the issued notice and provide insureds with a notice  
20 that cancellation and non-renewal is suspended until the Order was no longer in effect.

21 5. On April 23, 2020 the Director extended the Emergency Order to be in effect  
22 through May 23, 2020.

23 6. From March 25, 2020 through May 23, 2020, 100 insurance policies that  
24 Respondent had issued to Oregon consumers were sent notices of non-renewal by  
25

26 <sup>1</sup> <https://dfr.oregon.gov/insure/health/understand/Documents/20200325Order.pdf>

<sup>2</sup> *Id.* at Paragraph 12(a) and (b).



1 Respondent. Of those, 36 notices were not rescinded or withdrawn and the policies non-  
2 renewed.

### 3 CONCLUSIONS OF LAW

4 The Director CONCLUDES that:

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

9 8. Pursuant to ORS 731.870(1)(c), when the Governor declares a state of  
10 emergency under ORS 401.165, the Director may issue an order that addresses temporary  
11 postponement of cancellations and non-renewals.

12 9. Respondent violated Paragraph 12(a) and (b) of the Emergency Order in 100  
13 instances, as described in Paragraphs three through six above.

14 10. Pursuant to ORS 731.988(1), the Director may impose a civil penalty of up to  
15 \$10,000 per violation upon any person who violates a provision of the Insurance Code.

### 16 ORDERS

17 Now therefore, the Director issues the following Orders:

18 11. As authorized by ORS 731.252(1), the Director ORDERS Respondent to  
19 CEASE AND DESIST from violating the Emergency Order.

20 12. Based upon the foregoing and as authorized by ORS 731.988(1), the Director  
21 ORDERS that Respondent pay a total CIVIL PENALTY of \$10,000 for 100 violations of  
22 the Emergency Order.

23 13. The \$10,000 total CIVIL PENALTY assessed above is due and payable at the  
24 time this Order is returned to the Director.

25 14. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that  
26 provision, entry of this Order in no way limits or prevents further remedies, sanctions, or

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1 actions which may be available to the Director under Oregon law to enforce this Order, for  
2 violations of this Order, for conduct or actions of Respondent that are not covered by this  
3 Order, or against any party not covered by this Order.

4  
5 SO ORDERED this 21<sup>st</sup> day of September, 2020.

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

8  
9 /s/ Dorothy Bean  
10 Dorothy Bean, Chief of Enforcement  
11 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Jonathan A. Allison, state that I am an officer of Root Insurance Company and I am authorized to act on its behalf. I have read the foregoing Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Root Insurance Company voluntarily and without any force or duress consents to the entry of this Order expressly waiving any right to a hearing in this matter. Root Insurance Company understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code. Root Insurance Company will fully comply with the terms and conditions stated herein.

Root Insurance Company understands that this Order is a public document.

/s/ Jonathan A. Allison  
Signature

Jonathan A. Allison  
Printed name

Secretary / General Counsel  
Office held

ACKNOWLEDGMENT

There appeared before me this 9<sup>th</sup> day of September, 2020, Jonathan A. Allison, who was first duly sworn on oath, and stated that she/he was and is an officer of Root Insurance Company and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of Root Insurance Company and to bind Root Insurance Company to the terms hereof.

/s/ Kimberly G. Allison  
Signature of Notary Public

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