

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

In the Matter of:

Case No. INS-21-0035

FOREMOST INSURANCE COMPANY  
GRAND RAPIDS, MICHIGAN,  
  
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 Foremost Insurance Company Grand Rapids, Michigan (“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 (“Division”) by responding to inquiries, providing documentary evidence and other materials, and providing the Division with facts related 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, the Director issues the following Findings of Fact, Conclusions of Law, and Final Order.

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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 August 19, 1959 and  
4 provides property and casualty products in Oregon. Respondent's principle place of  
5 business is 5600 Beach Tree Lane, Caledonia, MI 49316. Respondent's National  
6 Association of Insurance Commissioners company code is 11185.

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

14 4. The Emergency Order required, in relevant part, that all insurers immediately  
15 suspend all cancellations and non-renewals for all active insurance policies ("Insurance  
16 Policies") in the state until the Emergency Order was no longer in effect.<sup>2</sup>

17 5. On April 10, 2020, an Insurance Policy issued to an Oregon consumer was  
18 cancelled by Respondent for nonpayment of premium.

19 6. On May 22, 2020, the Director issued a temporary Property and Casualty  
20 Insurance Order<sup>3</sup> ("P&C Order") to all insurers transacting property and casualty insurance  
21 in Oregon ("P&C Insurers"). The P&C Order took effect on May 24, 2020 and remained  
22 in force through September 29, 2020. The P&C Order terminated the Emergency Order for  
23 P&C Insurers.

24  
25 <sup>1</sup> <https://dfp.oregon.gov/covid19-consumers/Documents/20200325Order.pdf>

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

<sup>3</sup> <https://dfp.oregon.gov/business/reg/Documents/20200522-insurance-pnc-EO.pdf>



1 7. The P&C Order required, in relevant part, that all P&C Insurers in Oregon must  
2 give policyholders a single grace period of 60 days (“Grace Period”) to pay any premiums.<sup>4</sup>  
3 With the exception of policies that have completed the Grace Period, the P&C Order  
4 required that P&C Insurers suspend all involuntary cancellations and non-renewals for all  
5 active property and casualty insurance policies (“P&C Policies”) for nonpayment of  
6 premium.<sup>5</sup>

7 8. From May 24, 2020 through August 31, 2020, 21 P&C Policies issued to  
8 Oregon consumers were cancelled by Respondent for nonpayment of premium during the  
9 Grace Period.

10 9. On September 8, 2020, the Division issued a data call to Respondent requesting  
11 information regarding cancellations and non-renewals. Specifically, the Division requested  
12 information about all Oregon property and casualty policies from March 25, 2020 through  
13 August 31, 2020.

14 10. Respondent responded to the data call on October 23, 2020 and provided the  
15 requested information, which revealed the cancellations described in Paragraph five and  
16 Paragraph eight above.

17  
18 **CONCLUSIONS OF LAW**

19 The Director CONCLUDES that:

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

24 12. Pursuant to ORS 731.870(1)(c), when the Governor declares a state of  
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26 <sup>4</sup> *Id.* at Paragraph 11.

<sup>5</sup> *Id.* at Paragraph 12(a)(i).



1 emergency under ORS 401.165, the Director may issue an order that addresses temporary  
2 postponement of cancellations and non-renewals.

3 13. Respondent violated Paragraph 12(a) of the Emergency Order in one instance,  
4 as described in Paragraph five above.

5 14. Respondent violated Paragraph 12(a)(i) of the P&C Order in 21 instances, as  
6 described in Paragraph eight above.

7 15. 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  
10 **ORDERS**

11 Now therefore, the Director issues the following Orders:

12 16. As authorized by ORS 731.252(1), the Director ORDERS Respondent to  
13 CEASE AND DESIST from violating the Emergency Order and P&C Order.

14 17. Based upon the foregoing and as authorized by ORS 731.988(1), the Director  
15 ORDERS that Respondent pay a total CIVIL PENALTY of \$15,000 for violations of the  
16 Emergency Order and P&C Order.

17 18. The \$15,000 total CIVIL PENALTY assessed above is due and payable at the  
18 time this Order is returned to the Director.

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1 19. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that  
2 provision, entry of this Order in no way limits or prevents further remedies, sanctions, or  
3 actions which may be available to the Director under Oregon law to enforce this Order, for  
4 violations of this Order, for conduct or actions of Respondent that are not covered by this  
5 Order, or against any party not covered by this Order.

6  
7 SO ORDERED this 29<sup>th</sup> day of July, 2021.

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

10  
11 /s/ Dorothy Bean  
12 Dorothy Bean, Chief of Enforcement  
13 Division of Financial Regulation

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1 CONSENT TO ENTRY OF ORDER

2 I, Victoria Louise McCarthy, state that I am an officer of  
3 Foremost Insurance Company Grand Rapids, Michigan and I am authorized to act on its  
4 behalf. I have read the foregoing Order, and I know and fully understand the contents  
5 hereof. I have been advised of the right to a hearing and of the right to be represented by  
6 counsel in this matter. Foremost Insurance Company Grand Rapids, Michigan voluntarily  
7 and without any force or duress consents to the entry of this Order expressly waiving any  
8 right to a hearing in this matter. Foremost Insurance Company Grand Rapids, Michigan  
9 understands that the Director reserves the right to take further actions to enforce this Order  
10 or to take appropriate action upon discovery of other violations of the Insurance Code.  
11 Foremost Insurance Company Grand Rapids, Michigan will fully comply with the terms  
12 and conditions stated herein.

13 Foremost Insurance Company Grand Rapids, Michigan understands that this  
14 Order is a public document.

15 /s/ Victoria Louise McCarthy  
16 Signature

17 Victoria Louise McCarthy  
18 Printed name

19 Vice President  
20 Office held

21 ACKNOWLEDGMENT

22 There appeared before me this 21 day of July, 2021,  
23 Victoria Louise McCarthy, who was first duly sworn on oath, and stated that  
24 she/he was and is an officer of Foremost Insurance Company Grand Rapids, Michigan  
25 and that she/he is authorized and empowered to sign this Consent to Entry of Order on  
26 behalf of Foremost Insurance Company Grand Rapids, Michigan and to bind Foremost  
Insurance Company Grand Rapids, Michigan to the terms hereof.

/s/ Marva C. Bogle  
Signature of Notary Public

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