

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

In the Matter of:

Case No. INS-21-0033

GENERALI - U.S. BRANCH, d/b/a
THE GENERAL INSURANCE
COMPANY OF TRIESTE &
VENICE,

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

Respondent.

The Division of Financial Regulation (the "Division"), acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon (the "Director") and in accordance with Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 742A, 744, 746, 748, and 750 (the "Insurance Code"), conducted an investigation of GENERALI - U.S. BRANCH, d/b/a The General Insurance Company of Trieste & Venice ("Respondent"). The Division determined that Respondent violated certain provisions of the Oregon Administrative Rules ("OAR"), specifically OAR 836-080-0225(1) and 836-080-0235(4).

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

Now, therefore, as evidenced by the authorized signature(s) subscribed herein, the Director issues the following Findings of Fact, Conclusions of Law, and Final Orders.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has been a licensed property and casualty insurer since October 1980 with a principal place of business at 7 World Trade Center, 250 Greenwich Street,

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





1 New York, NY 10007. Respondent's National Association of Insurance Commissioners
2 Company Code Number is 11231.

3 2. Respondent offers and sells travel insurance to Oregonians. Such insurance
4 provides coverage if, among other things, an insured's travel plans are canceled for reasons
5 specified in the policy.

6 3. During the COVID-19 pandemic starting in early 2020, travel was shut down
7 around the world, prompting what Respondent refers to as an unprecedented number of
8 travel insurance claims. According to Respondent, its claim volume tripled in March 2020
9 and doubled in April 2020 compared to the previous year. Seventy percent (70%) of claims
10 were related to the COVID-19 pandemic. In the very early days of the pandemic,
11 Respondent states that its claims team began operating seven days a week, 24 hours a day,
12 and staff was paid double overtime and bonuses to work extra shifts to handle the
13 nationwide increase in travel insurance claims.

14 4. Between March 13 and July 18, 2020, Respondent took more than 30 days to
15 send an acknowledgement in response to 353 notifications of claims from insureds.

16 5. Between March 13 and June 30, 2020, Respondent took more than 30 days to
17 notify 270 claimants that it needed more time to determine whether it would accept or deny
18 their claims.

19 6. Respondent acknowledges that it took more than 30 days to send the foregoing
20 acknowledgements of claims and notifications that it needed additional time to make claim
21 determinations, noting the extraordinary and abrupt increase in claims due to the COVID-
22 19 pandemic.

23 7. Respondent informed the Division that it has performed an internal review of
24 its current policies in effect in Oregon. Respondent represents that it has implemented a
25 new procedure under which it automatically sends an acknowledgement to insureds who
26 submit written claims. Respondent further represents that it has undertaken to implement a

1 similar procedure to automatically send acknowledgements to insureds who submit
2 electronic claims. Respondent informed the Division that these new procedures will ensure
3 that Respondent complies with the Insurance Code's requirements for timely
4 acknowledgement of claims. Respondent agreed to submit a copy of a memorandum sent
5 to its claims personnel underscoring the importance of these new procedures and of
6 complying with the Division's statutes and rules pertaining to timeliness of processing and
7 responding to claims as well as notifying claimants when additional time is needed to do
8 the same.

9 8. The Director acknowledges that Respondent's claim handling returned to
10 appropriate timeframes by September 2020.

11 CONCLUSIONS OF LAW

12 The Director CONCLUDES that:

13 9. Under ORS 731.102(1), "insurance" means a contract whereby one undertakes
14 to indemnify another or pay or allow a specified or ascertainable amount or benefit upon
15 determinable risk contingencies.

16 10. The foregoing travel insurance policies that Respondent sold to Oregonians
17 constitute "insurance" under ORS 731.102(1).

18 11. Under ORS 731.106, "insurer" includes every person engaged in the business
19 of entering into policies of insurance.

20 12. Respondent is an "insurer" under ORS 731.106.

21 13. Under ORS 746.230(1)(b) and (e), an insurer may not commit or perform an
22 unfair claim settlement practice, including failing to acknowledge and act promptly upon
23 communications relating to claims or failing to affirm or deny coverage of claims within a
24 reasonable time after completed proof of loss statements have been submitted, respectively.

25 14. Under OAR 836-080-0225(1), an insurer shall, not later than the 30th day after
26 receipt of notification of claim, acknowledge the notification or pay the claim. An





1 appropriate and dated notation of the acknowledgment shall be included in the insurer's
2 claim file.

3 15. By failing to acknowledge the notifications or pay the claims by the 30th day
4 after receipt of 353 notifications of claims, Respondent violated OAR 836-080-0225(1).

5 16. Under OAR 836-080-0235(4), if an insurer needs more time to determine
6 whether the claim of a first party claimant should be accepted or denied, it shall so notify
7 the claimant not later than the 30th day after receipt of the proofs of loss, giving the reason
8 more time is needed. Forty-five days from the date of such initial notification and every 45
9 days thereafter while the investigation remains incomplete, the insurer shall notify the
10 claimant in writing of the reason additional time is needed for investigation.

11 17. By failing to notify 270 claimants by the 30th day after receipt of their proofs
12 of loss that it needed more time to determine whether the claims would be accepted or
13 denied, and the reason(s) for needing additional time, Respondent violated OAR836-080-
14 0235(4).

15 18. Under ORS 731.988(1), a person that violates any provision of the Insurance
16 Code shall forfeit and pay to the General Fund of the State Treasury a civil penalty in an
17 amount determined by the Director that does not exceed \$10,000 for each offense. Each
18 violation is a separate offense.

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

23 20. Because the Director has reason to believe that Respondent has violated the
24 Insurance Code, including OAR 836-080-0225(1) and 836-080-0235(4), the Director may
25 issue an order directed to Respondent to discontinue or desist from those violations under
26 ORS 731.252(1).

1 **ORDERS**

2 The Director ISSUES the following ORDERS:

3 *Order to Cease and Desist*

4 21. Pursuant to the authority of ORS 731.252(1), the Director hereby ORDERS
5 Respondent to CEASE AND DESIST from violating OAR 836-080-0225(1) and 836-
6 080-0235(4) in the future.

7 *Order Assessing Civil Penalties*

8 22. Pursuant to the authority of ORS 731.988(1), the Director hereby ORDERS the
9 assessment of twenty thousand dollars (\$20,000) of CIVIL PENALTIES against
10 Respondent for violations of OAR 836-080-0225(1) and 836-080-0235(4).

11 23. The Director SUSPENDS collection of ten thousand dollars (\$10,000) of the
12 foregoing civil penalties, provided:

13 A. Respondent submits simultaneously with this executed Consent Order the
14 remaining ten thousand dollars (\$10,000) of civil penalties;

15 B. Respondent submits to the Director simultaneously with this executed Consent
16 Order evidence that it has informed its claims personnel about the new claim
17 acknowledgement procedures and reinforced the necessity of complying with Oregon's
18 claim-handling and claim-communication requirements and deadlines, including those
19 pertaining to sending insureds prompt and timely acknowledgements of their claims
20 filings and to sending insureds notifications when additional time is needed to determine
21 whether to accept or deny a claim, including the reason(s) additional time is needed; and

22 C. Respondent complies with all terms of this Consent Order and the Insurance
23 Code.

24 24. The Director agrees to waive the foregoing suspended ten thousand dollars
25 (\$10,000) of civil penalties at the end of a period of three (3) years from the effective date
26 of this Consent Order provided that Respondent complies with the Insurance Code and the

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1 terms and conditions of this Consent Order, including but not limited to submitting the
2 foregoing written policies or procedures to the Director within the time specified above. If
3 Respondent fails to comply with this Consent Order or otherwise fails to comply with the
4 Insurance Code within the period of three (3) years, then the suspended portion of the civil
5 penalties shall become immediately due and payable and the Division may take additional
6 action against Respondent.

7 **FINAL ORDER**

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

13 IT IS SO ORDERED.

14 Dated this 9th day of September, 2021.

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

17
18 /s/ Dorothy Bean
19 Dorothy Bean, Chief of Enforcement
20 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Tarik Ajami, state that I hold the title of Secretary and I am an authorized representative of Respondent Generali – US Branch (“Generali”) with the authority to sign this Consent Order on behalf of Generali. I have read the Order and I 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. Generali 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. Generali understands that this is a “Final Order” under ORS 183.310(6)(b). Generali understands that the Director reserves the right to take further action to enforce this Order or to take appropriate action upon discovery that Generali has committed other violations of the Insurance Code. Generali will fully comply with the terms and conditions stated herein.

Generali understands that this Order is a public document.

Signature: /s/ Tarik Ajami

Title: Secretary

State of New York

County of New York

Signed or attested before me on this 11th day of August, 2021

by Ruth Oren.

/s/ Ruth Oren

Notary Public

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