

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

In the Matter of:

Case No. INS-20-0061

OREGON AUTOMOBILE INSURANCE
COMPANY,

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

Respondent.

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 Oregon Automobile 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 and settle this matter by consenting to entry of this Final Order.

Now therefore, as evidenced by the signatures subscribed in this Order, Respondent hereby consents to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has been licensed by the Director, by and through the Division of Financial Regulation, previously known as the Insurance Division (collectively the

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



1 “Division”), as a domestic insurer since December 31, 1925 and provides property and
2 casualty products in Oregon. Respondent’s principle place of business is 175 Berkeley
3 Street, Boston, MA 02116. Respondent’s National Association of Insurance
4 Commissioners (“NAIC”) company code is 23922.

5 2. On or before March 1, 2020, Respondent filed with the Director a financial
6 statement for the year ending December 31, 2019 (“Financial Statement”).¹

7 3. Respondent failed to provide complete responses for items GI-01_q24.03 and
8 GI-01_q28.01 on the Financial Statement.

9
10 CONCLUSIONS OF LAW

11 The Director CONCLUDES that:

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

16 5. Pursuant to ORS 731.574(1), every authorized insurer shall file with the
17 Director, on or before March 1 of each year, a financial statement for the year ending
18 December 31 immediately preceding. This statement shall be on a form prescribed by the
19 Director. The statement shall contain such detailed exhibit of the condition and transactions
20 of the insurer, in such form and otherwise, as the Director prescribes. The Director shall
21 consider and may prescribe the annual statement blank or other form established by the
22 NAIC, including instructions prepared by the NAIC for completing the blank or other form.
23 If the Director prescribes the blank or other form established by the NAIC, including the

24 _____
25 ¹ Respondent’s financial statement filed with the Director for the year ending December 31, 2018 contained
26 similar deficiencies to those described in this Order for the fiscal year ending December 31, 2019. For the
2018 financial statement, the Division elected not to take enforcement action and instead informed
Respondent that the 2018 deficiencies would only result in a warning to allow an opportunity for Respondent
to make improvements.



1 instructions, an insurer submitting the annual statement blank or form established by the
2 NAIC must complete the blank or form according to the instructions.

3 6. Pursuant to OAR 836-011-0000(1), every authorized insurer shall file its
4 financial statement required by ORS 731.574 for the 2019 reporting year on the annual
5 statement blank approved for the 2019 reporting year by the NAIC for the type of insurance
6 transacted by the insurer.

7 7. Pursuant to OAR 836-011-0000(2), every authorized insurer shall complete its
8 annual statement blank and quarterly statement blank under section (1) of this rule for the
9 2019 and 2020 reporting year, respectively, according to the applicable instructions
10 published for that year by the NAIC, for completing the blank, as required by ORS 731.574.

11 8. Respondent violated ORS 731.574(1) and OAR 836-011-0000(2) by failing to
12 provide complete responses on the Financial Statement as described in Paragraph 3 above.²

13 9. Pursuant to ORS 731.988(1), the Director may assess CIVIL PENALTIES in
14 an amount not to exceed \$10,000 per violation against a person who violates any provision
15 of the Insurance Code or any lawful rule of the Director.

16
17 **ORDERS**

18 The Director issues the following ORDERS:

19 10. As authorized by ORS 731.252(1), the Director ORDERS Respondent to
20 CEASE AND DESIST from violating ORS 731.574(1) and OAR 836-011-0000(2).

21 11. Based upon the foregoing and in accordance with ORS 731.988(1), the Director
22 ORDERS Respondent pay a CIVIL PENALTY of \$10,000 for violating ORS 731.574(1)
23 and OAR 836-011-0000(2) as described in Paragraph 8 above.

24 12. The Director hereby suspends payment of \$5,000 of the CIVIL PENALTY for
25

26 ² NAIC Annual Statement Instructions (“ASI”) require that a disclosure or response must be provided for every item and that “none” or “not applicable” shall be indicated if appropriate.



1 a period of two years, provided Respondent makes timely and accurate filings of its 2020
2 and 2021 Financial Statement.

3 13. The suspended CIVIL PENALTY (\$5,000) will be waived two years from the
4 effective date of this Order, provided Respondent has complied with the foregoing Order
5 terms. The Director reserves the right to immediately assess and collect the suspended
6 civil penalty upon a determination that Respondent has violated any term of this Order.

7 14. The non-suspended CIVIL PENALTY (\$5,000) is due and payable at the time
8 this Order is returned to the Division.

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

10 16. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that
11 provision, the entry of this Order does not limit other remedies that are available to the
12 Director under Oregon law.

13 SO ORDERED this 2nd day of February, 2021.

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

16
17 /s/ Dorothy Bean
18 Dorothy Bean, Chief of Enforcement
19 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Alison Erbig, state that I am an officer of Oregon Automobile Insurance Company and I am authorized to act on its behalf. I have read the foregoing Consent 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. Oregon Automobile Insurance Company voluntarily and without any force or duress consents to the entry of this Consent Order expressly waiving any right to a hearing in this matter. Oregon Automobile Insurance Company understands that the Director reserves the right to take further actions to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Insurance Code. Oregon Automobile Insurance Company will fully comply with the terms and conditions stated herein.

Oregon Automobile Insurance Company understands that this Consent Order is a public document.

/s/ Alison Erbig 1/14/2021

Signature Dated

Alison Erbig

Printed name

Executive Vice President and Comptroller

Office held

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