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## **Oregon to net \$3.6 million from AIG settlement**

*National case involved misreporting workers' comp premiums*

(Salem) — Oregon will receive about \$3.6 million as part of a multi-state settlement with the American International Group (AIG) over misreporting of workers' compensation insurance premiums.

A two-year examination of AIG and its Chartis insurance companies found the companies misreported \$2.12 billion in workers' compensation premium nationwide as general or commercial automobile liability premium.

In Oregon, AIG's misreporting led to an underpayment of \$2.4 million into the workers' compensation premium assessment, which funds the state's workplace safety and workers' compensation programs. In the settlement, AIG agreed to pay \$2.4 million to the Department of Consumer and Business Services (DCBS) for the underpayment as well as a \$1.2 million penalty, which will be deposited into Oregon's General Fund.

"Accurate reporting of premiums is crucial because it helps us set base premium rates and it ensures all insurers and employers are paying their fair share of assessments," said Scott L. Harra, acting director of DCBS. "Misreporting by a large insurer like AIG could harm Oregon's workers' compensation system."

In total nationwide, AIG agreed to pay \$100 million in fines and payment of an additional \$46.5 million in premium taxes and assessments. In addition to the monetary penalties, the settlement includes the following:

- Adoption of a compliance plan ensuring the company's compliance with workers' compensation rates, forms, and financial reporting requirements
- Monitoring the company's compliance with the plan for a 24-month period
- An additional fine of up to \$150 million if an examination at the end of the 24-month period demonstrates non-compliance by the company

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, go to [www.dcbs.oregon.gov](http://www.dcbs.oregon.gov).

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