

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of the Certificate of Authority of
Wasatch Crest Insurance Company, Salt Lake
City, Utah

SUSPENSION ORDER

Case No. INS 02-11-004

INTRODUCTION

The Director of the Department of Consumer and Business Services (Director) hereby issues a Suspension Order to Wasatch Crest Insurance Company ("Wasatch Crest" under Oregon Revised Statutes (ORS) 731.256 and 731.414 because she has reason to believe the following:

FINDINGS OF FACT

Since July 9, 1919, Wasatch Crest, a Utah corporation, has been issued a certificate of authority pursuant to ORS 731.402 authorizing it to transact property, casualty excluding workers' compensation, and marine and transportation insurance within the state of Oregon.

Wasatch Crest did not file its quarterly statement as of June 30, 2002, with the NAIC by the August 15, 2002, due date. Upon request by the Director, Wasatch Crest faxed an unsigned quarterly statement as of June 30, 2002. Wasatch Crest reported total liabilities of \$43,202,081 and total assets of \$30,765,451 as of June 30, 2002. The total liabilities exceeded the total assets by \$12,436,630, resulting in net surplus to policyholders of (\$12,436,630) as of June 30, 2002.

ULTIMATE FINDINGS OF FACT

Wasatch Crest did not maintain at least \$2.5 million in capital or surplus, or any combination thereof, as required by ORS 731.554(1).

CONCLUSIONS OF LAW

Wasatch Crest did not comply with the minimum capital or surplus requirement in ORS 731.554(1) for a certificate of authority.

Such condition is a ground under ORS 731.414(1)(a) for suspending an insurer's certificate of authority without a hearing under ORS 731.414(2).

ORDER

Pursuant to ORS 731.414, the Oregon certificate of authority issued to Wasatch Crest is suspended. The period of suspension shall be continuous from the date of this order until terminated by further written order of the Director, pursuant to ORS 731.426(1). Pursuant to ORS 731.426(2), during the period of suspension, Wasatch Crest shall not solicit or issue new policies of insurance or assume any Oregon risk. Wasatch Crest shall file its annual financial statement and pay any fees and taxes required to be paid. Wasatch Crest may service any existing policies of insurance issued to persons residing in Oregon.

Pursuant to ORS 731.422(2), the authority of all agents to represent Wasatch Crest within the state of Oregon is also suspended. The period of suspension shall be for the same period that the certificate of authority issued to Wasatch Crest is suspended. During the period of suspension, an agent may represent Wasatch Crest only to the extent that Wasatch Crest may transact insurance and that Wasatch Crest has authorized the agent to represent it.

Issued in duplicate the 8th day of November, 2002.



Mary C. Neidig
Director
Insurance Commissioner
Department of Consumer and Business Services

NOTICE

You are entitled to a hearing under ORS 183.415. You may be represented at a hearing by an attorney licensed in Oregon. If you want a hearing, you must deliver or mail a written request for a hearing to the Director addressed to Insurance Division, Hearings Section, 350 Winter Street NE Room 440-6, Salem, Oregon 97301-3883. The written request must be received by the Director within 21 calendar days after the date this order is delivered or mailed to you.

If you request a hearing within the time allowed, then you will be notified of the time and location of the hearing and information regarding contested case proceedings before the Director.

If you do not request a hearing within the time allowed, then you will waive your right to a hearing. Also, if you do not request a hearing within the time allowed, or if you do not appear at a scheduled hearing, then this order shall become final.