

**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  
Reciprocal of America, Glen Allen, Virginia

SUSPENSION ORDER

Case No. INS 03-03-003

**INTRODUCTION**

The Director of the Department of Consumer and Business Services (Director) hereby issues a Suspension Order to Reciprocal of America (ROA) under Oregon Revised Statutes (ORS) 731.256 and 731.418 because she has reason to believe the following:

**FINDINGS OF FACT**

Since January 9, 1998, ROA, a Virginia corporation, has been issued a certificate of authority pursuant to ORS 731.402. It is currently authorized to transact casualty, excluding workers' compensation insurance, within the state of Oregon.

On or about January 29, 2003, the Circuit Court of the City of Richmond, Virginia, found ROA and its Attorney-In-Fact, The Reciprocal Group, were in a condition, as a single insurance business enterprise, where any further transaction of business would be hazardous to the policyholders, creditors, members, subscribers, and the public. Therefore, the Court issued its Final Order Appointing Receiver for Rehabilitation or Liquidation, Court File No. CH03-135, placing ROA into rehabilitation.

Receivership is a form of delinquency proceeding. Pursuant to ORS 731.418(2), without advance notice or a hearing thereon, the Director may suspend immediately the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation, or other delinquency proceedings, have been commenced in any state by the public insurance

supervisory official of such state.

### ULTIMATE FINDINGS OF FACT

The insurance supervisory official of the state of Virginia commenced a delinquency proceeding against ROA.

### CONCLUSIONS OF LAW

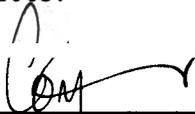
The Director may suspend ROA's Oregon certificate of authority without a hearing under 731.418 (2).

### ORDER

Pursuant to ORS 731.418(2), the Oregon certificate of authority issued to ROA 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, ROA shall not solicit or issue new policies of insurance or assume any Oregon risk. ROA shall file its annual financial statement and pay any fees and taxes required to be paid. ROA 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 ROA 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 ROA is suspended. During the period of suspension, an agent may represent ROA only to the extent that ROA has authorized the agent to represent it.

Issued in duplicate the 21<sup>st</sup> day of March, 2003.

  
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Cory Streisinger  
Director  
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 97310. 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.