

**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  
Casualty Reciprocal Exchange, Kansas City,  
Missouri

SUSPENSION ORDER

Case No. INS 03-03-010

**INTRODUCTION**

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

**FINDINGS OF FACT**

Since August 30, 1999, Casualty Reciprocal Exchange, a Missouri reciprocal or interinsurance exchange, has been issued a certificate of authority pursuant to ORS 731.402. It is currently authorized to transact property and casualty including workers compensation insurance within the state of Oregon.

On or about December 19, 2002, upon consideration of the Verified Petition for Rehabilitation filed by the Director of the Missouri Department of Insurance, the Circuit Court of Cole County, Missouri issued an order, Case No. 02CV326311, placing Casualty Reciprocal Exchange into rehabilitation.

Rehabilitation 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 Missouri commenced a delinquency proceeding against Casualty Reciprocal Exchange.

## CONCLUSIONS OF LAW

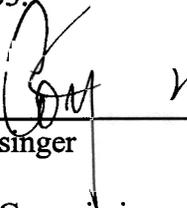
The Director may suspend Casualty Reciprocal Exchange's Oregon certificate of authority without a hearing under 731.418 (2).

## ORDER

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