

**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
First Continental Life & Accident Insurance
Company, Salt Lake City, Utah

SUSPENSION ORDER

Case No. INS 03-05-011

INTRODUCTION

The Director of the Department of Consumer and Business Services (Director) hereby issues a Suspension Order to First Continental Life & Accident Insurance Company (First Continental) under Oregon Revised Statutes (ORS) 731.256 and 731.414 because the Director has reason to believe the following:

FINDINGS OF FACT

Since August 2, 1979, First Continental, a Utah corporation, has been issued a certificate of authority pursuant to ORS 731.402. It is currently authorized to transact life and health insurance within the state of Oregon.

On or about March 3, 2003, First Continental filed financial statements reflecting capital and surplus of \$728,516 as of December 31, 2002.

ULTIMATE FINDINGS OF FACT

First Continental did not maintain at least \$1.3 million in capital and surplus, or any combination thereof, as required by section 5, chapter 318, Oregon Laws 2001

CONCLUSIONS OF LAW

First Continental did not comply with the minimum capital or surplus requirement in section 5, chapter 318, Oregon Laws 2001 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 First Continental is suspended. The period of suspension shall be continuous from the date of this order until rescinded by further written order of the Director, pursuant to ORS 731.426(1). The Director will consider rescinding this order upon evidence that First Continental has received additional capital and surplus, or any combination thereof, sufficient to meet the minimum capital and surplus requirements of this state. Pursuant to ORS 731.426(2), during the period of suspension, First Continental shall not solicit or issue new policies of insurance in this state or assume any Oregon risk. First Continental shall file its annual financial statement and pay any fees and taxes required to be paid. First Continental 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 First Continental 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 First Continental is suspended. During the period of suspension, an agent may represent First Continental only to the extent that First Continental has authorized the agent to service any existing policies of insurance issued to persons residing in Oregon.

Issued in duplicate the 3rd day of June.



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.