

**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
Cumberland Casualty & Surety Company, Tampa,
Florida

SUSPENSION ORDER

Case No. INS 04-03-001

INTRODUCTION

The Director of the Department of Consumer and Business Services (Director) hereby issues a Suspension Order to Cumberland Casualty & Surety Company (CUMBERLAND) under Oregon Revised Statutes (ORS) 731.256 and 731.418 because the Director has reason to believe the following:

FINDINGS OF FACT

Since September 13, 1994, CUMBERLAND, a Florida corporation, has been issued a certificate of authority pursuant to ORS 731.402. It is currently authorized to transact Surety insurance within the state of Oregon.

On or about February 26, 2004, at the request of the Department of Financial Services of the State of Florida, the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida issued an order, Case No: 2004-507, placing CUMBERLAND into rehabilitation.

Rehabilitation is a form of delinquency proceeding. Pursuant to ORS 731.418(2), without advance notice of 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 Florida commenced a delinquency proceeding

against CUMBERLAND.

CONCLUSIONS OF LAW

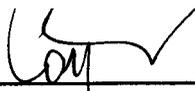
The Director may suspend CUMBERLAND's Oregon certificate of authority without a hearing under 731.418 (2).

ORDER

Pursuant to ORS 731.418(2), the Oregon certificate of authority issued to CUMBERLAND 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 The period of suspension shall be continuous from the date of this order until rescinded by further written order of the Director, pursuant to ORS 731.426(1). Pursuant to ORS 731.426(2), during the period of suspension, CUMBERLAND shall not solicit or issue new policies of insurance in this state or assume any Oregon risk. During the period of suspension, CUMBERLAND shall also not issue renewal policies in this state. CUMBERLAND shall file its annual financial statement and pay any fees and taxes required to be paid. CUMBERLAND 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 CUMBERLAND 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 CUMBERLAND is suspended. During the period of suspension, an agent may represent CUMBERLAND only to the extent that CUMBERLAND may service any existing policies of insurance issued to persons residing in Oregon and that CUMBERLAND has authorized the agent to represent it.

Issued in duplicate the 11th day of March, 2004.



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.