

**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
Primeguard Insurance Company, Inc., A Risk
Retention Group, Honolulu, Hawaii

REVOCATION ORDER

Case No. INS 06-01-015

INTRODUCTION

The Director of the Department of Consumer and Business Services (Director) hereby issues a Revocation Order to Primeguard Insurance Company, Inc., A Risk Retention Group (PRIMEGUARD) under Oregon Revised Statutes (ORS) 731.256, 731.414, and 735.345, because the Director has reason to believe the following:

FINDINGS OF FACT

On January 3, 2000, PRIMEGUARD, a Hawaii corporation, was registered in accordance with ORS 735.315. It is currently authorized to transact liability insurance within the state of Oregon.

On or about October 12, 2005, the Hawaii Insurance Division placed Primeguard into Administrative Supervision. On December 19, 2005, the Circuit Court of the First Circuit, State of Hawaii, issued an "Order of Liquidation" against Primeguard.

ORS 735.315 (7) (b) prohibits the solicitation or sale of insurance by, or operating of, a risk retention group that is in a hazardous financial condition or is financially impaired.

ORS 735.315 (10) requires a risk retention group not organized in this state and doing business in this state to comply with a lawful order issued in a delinquency proceeding commenced by the insurance commissioner of any state if there has been a finding of financial impairment after an examination.

Liquidation is a form of delinquency proceeding.

ULTIMATE FINDINGS OF FACT

The insurance supervisory official of the state of Hawaii commenced a delinquency proceeding against PRIMEGUARD.

CONCLUSIONS OF LAW

The Director may revoke PRIMEGUARD's Oregon registration without a hearing under 731.414(2).

ORDER

Pursuant to ORS 731.414 and 735.345, the Oregon registration issued to PRIMEGUARD is revoked. Upon revocation, PRIMEGUARD shall no longer solicit or issue new policies of insurance in this state or assume any Oregon risk. PRIMEGUARD shall also not issue renewal policies in this state. Revocation does not relieve PRIMEGUARD of any tax burden incurred as a result of its transaction of insurance in this state prior to revocation. PRIMEGUARD shall service any existing policies of insurance issued to persons residing in Oregon in accordance with Oregon Law. The revocation is effective until such time as PRIMEGUARD applies for registration and is able to qualify under the provisions of ORS 735.300 through 735.365.

Pursuant to ORS 731.422(2), the authority of all producers to represent PRIMEGUARD within the state of Oregon is also revoked. Subsequent to revocation, a producer may represent PRIMEGUARD only to the extent that PRIMEGUARD may service any existing policies of insurance issued to persons residing in Oregon and that PRIMEGUARD has authorized the producer to represent it.

PRIMEGUARD is hereby ordered to provide a copy of this revocation order to all appointed producers within 14 days of the date of this order. PRIMEGUARD shall provide to the director within 21 days from the date of this order an affidavit certifying that notice to appointed producers has been provided.

Issued the 3rd day of February, 2006.



Cory Streisinger
Director
Insurance Commissioner
Department of Consumer and Business Services

RIGHT TO A HEARING

The party has the right to a hearing pursuant to ORS 183.415. A party may request a hearing by sending a written request to the Insurance Division. A party may send the request to the Insurance Division by delivering it to the Labor and Industries Building, 350 Winter Street NE, Room 440 (4th Floor), Salem, Oregon; or mailing it to PO Box 14480, Salem, OR 97309-0405, or faxing it to 503-378-4351; or e-mailing it to mitchel.d.curzon@state.or.us. The Insurance Division must *receive* the request within 21 days from the date this notice was *sent* to the party.

If the Insurance Division receives from or on behalf of a party a written request for a hearing by the due date described above, then the Insurance Division will refer the request to the Office of Administrative Hearings (OAH). OAH will schedule the hearing and notify the party of the date and location of the hearing and other related information. OAH will conduct the hearing in accordance with the Oregon Administrative Procedures Act, ORS Chapter 183; and related rules, Oregon Administrative Rules (OAR) 137-03-0502 *et seq.* A party that is a corporation, partnership, limited liability company, unincorporated association, trust, or government agency must be represented at a hearing by an attorney licensed in Oregon except as otherwise provided by law. Subsequently, OAH will issue a proposed order, and the director will issue a final order.

If the Insurance Division does not receive from or on behalf of a party a written request for a hearing by the due date described above; or a party that has timely requested a hearing withdraws the request, notifies the Insurance Division or OAH that the party will not appear at a hearing, or does not appear at a scheduled hearing, then the director will issue a final order by default taking the action proposed therein. If the director issues a final order by default, then the record of this proceeding to date, including the designated portion of the Insurance Division's file on the party, automatically become part of the contested case record for the purpose of proving a *prima facie* case.