

**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	)	TERMINATION OF SUSPENSION
WASHINGTON CASUALTY COMPANY,	)	AND REINSTATEMENT OF
Issaquah, Washington	)	CERTIFICATE OF AUTHORITY
	)	Case No. INS 03-03-001
	)	

**INTRODUCTION**

Washington Casualty Company is a foreign stock property and casualty insurance company. On March 9, 2003, the Director of the Oregon Department of Consumer and Business Services (Director) suspended the company's certificate of authority. Washington Casualty Company has applied to the Director to terminate the suspension and reinstate its certificate of authority.

Therefore, pursuant to ORS 183.450 and ORS 183.470, the Director makes the following:

**FINDINGS OF FACT**

Washington Casualty Company was organized under the laws of Washington on June 21, 1990. The company was granted a Certificate of Authority in Oregon on May 10, 1991, to transact property, casualty excluding workers' compensation, marine and transportation insurance within the State of Oregon.

On or about March 3, 2003, Washington Casualty Company filed financial statements reflecting policyholders surplus of (\$3,996,391) as of December 31, 2002. Washington Casualty Company did not maintain at least \$2.5 million in capital or surplus, or any combination thereof, as required by ORS 731.554(1). Consequently, on March 9, 2003, the Director issued a Suspension Order (Case No. INS 03-03-001) suspending the certificate of authority issued to Washington Casualty Company, pursuant to

ORS 731.414. Pursuant to ORS 731.426(1), the period of suspension was from the date of the order until terminated by further written order of the Director.

Additionally, on or about March 6, 2003, at the request of the Washington Insurance Commissioner, the State of Washington, Thurston County Superior Court, issued an order of rehabilitation and appointment of receiver (No. 03-2-00401-1).

On or about October 6, 2006, the Superior Court of Thurston County, Washington at Olympia, considered the petition of Mike Kreidler, Insurance Commissioner, State of Washington, and Rehabilitator, and issued an order confirming transfer of assets and approving receiver's rehabilitation plan and authorizing sale of stock of Washington Casualty Company (No. 03-2-00401-1).

On or about October 6, 2006, Thurston County Superior Court issued an order (No. 03-2-00401-1) confirming closing of a stock purchase agreement, discharging the Receiver and releasing Washington Casualty Company from rehabilitation, receivership and control, supervision and jurisdiction of the Court.

On June 7, 2007, Washington Casualty Company filed documents with the Director regarding its current financial and operational status and requested the Director terminate the suspension of the company and reinstate its certificate of authority. Financial statements filed with the Director reflect that as of June 30, 2007, Washington Casualty Company possessed policyholder surplus of \$11,985,075.

Washington Casualty Company's certificate of authority in the State of Oregon has not expired during the period of suspension.

#### **ULTIMATE FINDINGS OF FACT**

Washington Casualty Company possesses capital and surplus of more than \$2,500,000 as required by ORS 731.554(1).

The Director determines that the cause of the suspension has terminated as provided in ORS 731.426(1).

### CONCLUSIONS OF LAW

Washington Casualty Company meets the requirements for a certificate of authority.

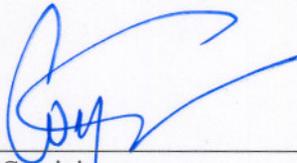
The Director may terminate the suspension and reinstate the certificate of authority pursuant to ORS 731.426(4).

### ORDER

The Director hereby terminates the suspension of, and reinstates, the certificate of authority issued to Washington Casualty Company pursuant to ORS 731.426(1).

The authority of Washington Casualty Company's agents to represent it in Oregon is also reinstated pursuant to ORS 731.426(5).

Issued the 7<sup>th</sup> day of September, 2007.

  
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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 (4<sup>th</sup> 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](mailto: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.