

registration proof of financial stability that satisfies the applicable requirements of OAR 836-2000-0030 to 836-200-0040. OAR 836-200-0000(5) requires an obligor to immediately notify the director of any change in the information submitted in the application for registration. On or about 2/28/06, Ultimate Warranty filed an application for registration. In the application for registration, Ultimate Warranty included a “Service Contract Reimbursement Insurance Policy Facts Page” representing that Capital Assurance Risk Retention Group, Inc. (CARRG) had issued a reimbursement policy, number CARRG01-06, to Ultimate Warranty effective from 12/31/05 to 12/31/06. Ultimate Warranty did not inform the director of any change in the policy. On 11/14/07, the South Carolina Department of Insurance issued a press release saying, among other things, that “[o]n October 31, 2007, the Richland County Court of Common Pleas issued an order placing CARRG into receivership and appointed the Director of the South Carolina Department of Insurance as Receiver. ... The order was entered because the financial condition of Ultimate Warranty Corporation, CARRG’s primary owner-member, has impacted CARRG such that any future transaction of their business would be hazardous to CARRG’s policyholders and the public.” According to a letter, undated, but believed to have been issued on or about 12/13/07, by the South Carolina Department of Insurance, “Ultimate was insured under a ‘Service Contract reimbursement Insurance Policy’ (‘Policy’) issued by CARRG. This policy was cancelled as of 12/30/07 according to its terms by Ultimate as the insured. This cancellation effective date was confirmed, without objection from Ultimate, in a letter from CARRG’s counsel to Ultimate on October 29, 2007.”

Notice of Right to Administrative Hearing

A party in this proceeding 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 a party a written request for a hearing by the above due date, 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) 137-03-0501 *et seq.* A party that is an individual may represent themselves, or may be represented by an attorney licensed in Oregon, at a hearing. 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. Legal aid organizations may be able to assist a party with limited financial resources. Subsequently, OAH will issue a proposed order, and the director will issue a final order.

If the Insurance Division does not receive from a party a written request for a hearing by the above due date; or if a party that timely requested a hearing subsequently withdraws the request, notifies the Insurance Division or OAH that the party will not appear at a scheduled hearing, or does not appear at a scheduled hearing, then the director intends to issue a final order by default taking the action proposed herein. If a hearing is not conducted, then the record of this proceeding to date, including information in the designated portion of the Insurance Division's file and all materials submitted by the party, will automatically become part of the contested case record for the purpose of proving a *prima facie* case. If a hearing is conducted, the designated portion of the Insurance Division's file will not become part of the record, unless expressly offered by the Insurance Division as documentary evidence and admitted at the hearing.

Dated May 15, 2008

/s/ Cory Streisinger
Cory Streisinger
Director
Department of Consumer and Business Services

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