

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OREGON

In the Matter of the Certificate of Authority of)	SUSPENSION ORDER
LUMBERMEN'S UNDERWRITING)	
ALLIANCE, Lee's Summit, Missouri)	Case No. INS 15-03-014

INTRODUCTION

The Insurance Commissioner of the State of Oregon (Commissioner) hereby issues a Suspension Order to LUMBERMEN'S UNDERWRITING ALLIANCE (LUMBERMEN'S) under Oregon Revised Statutes (ORS) 731.256 and 731.414 because the Commissioner has reason to believe the following:

FINDINGS OF FACT

Since September 8, 1911, LUMBERMEN'S, a Missouri corporation, has been issued a certificate of authority pursuant to ORS 731.402. It is currently authorized to transact Casualty including Workers' Compensation ORS 731.158, Marine & Transportation ORS 731.174, Property ORS 731.182 and Surety ORS 731.186 insurance within the state of Oregon.

On or about March 2, 2015, LUMBERMEN'S filed financial statements reflecting capital and surplus of (\$22,502,751) as of December 31, 2014.

ULTIMATE FINDINGS OF FACT

LUMBERMEN'S did not maintain at least \$5,000,000 in capital and surplus, or any combination thereof, as required by ORS 731.554.

CONCLUSIONS OF LAW

LUMBERMEN'S did not comply with the minimum capital and surplus requirement of ORS 731.554 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).

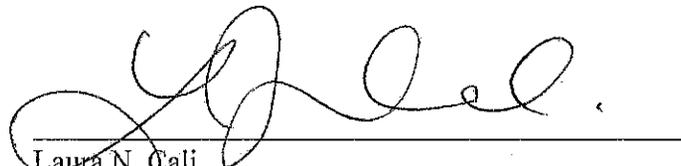
ORDER

Pursuant to ORS 731.414, the Oregon certificate of authority issued to LUMBERMEN'S is suspended. The period of suspension shall be continuous from the date of this order until rescinded by further written order of the Commissioner, pursuant to ORS 731.426(1). Pursuant to ORS 731.426(2), during the period of suspension, LUMBERMEN'S shall not solicit or issue new policies of insurance in this state or assume any Oregon risk. During the period of suspension, LUMBERMEN'S may issue renewal policies in this state. LUMBERMEN'S shall file its annual financial statement and pay any fees and taxes required to be paid. LUMBERMEN'S shall service any existing policies of insurance issued to persons residing in Oregon in accordance with Oregon Law.

Pursuant to ORS 731.422(2), the authority of all producers to represent LUMBERMEN'S 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 LUMBERMEN'S is suspended. During the period of suspension, a producer may represent LUMBERMEN'S only to the extent that LUMBERMEN'S may service any existing policies of insurance issued to persons residing in Oregon and that LUMBERMEN'S has authorized the producer to represent it.

LUMBERMEN'S is hereby ordered to provide a copy of this suspension order to all appointed producers within 14 days of the date of this order. The company shall provide to the Commissioner within 21 days from the date of this order an affidavit certifying that notice to appointed producers has been provided.

Issued the 19 day of March, 2015.



Laura N. Cali
Insurance Commissioner

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, 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 Commissioner 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 Commissioner will issue a final order by default taking the action proposed therein. If the Commissioner 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.

Pursuant to the Suspension Order dated March 19, 2015 case number INS 15-03-014 issued by Laura N. Cali, Oregon Insurance Commissioner, Department of Consumer and Business Services, I certify that all current appointed producers in the state of Oregon have been notified regarding Lumbermen's Underwriting Alliance's suspension, and have been advised of its terms relating to producer representation during the period of suspension.

I am _____ (title) and am authorized by
_____ (company) to act on its behalf in this matter.

Signature

Print Name

Subscribed and sworn to before me this _____ day of _____, 20__.

Notary public in and for the state of

My commission expires _____.