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2
3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. INS-FR 16-08-002

7 CASTLEPOINT NATIONAL INSURANCE
8 COMPANY,

SUSPENSION ORDER

9 Respondent.

10 The Director of the Department of Consumer and Business Services for the State
11 of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”)
12 chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750
13 (“Insurance Code”) and specifically ORS 731.418, hereby suspends the certificate of
14 authority of Castlepoint National Insurance Company.

15 The Director makes the following Findings of Fact, Conclusions of Law, Orders,
16 and Notice of Right to an Administrative Hearing.

17
18 FINDINGS OF FACT

19 The Director FINDS that:

20 1. Since June 8, 2006, Respondent, a California corporation, has been issued a
21 certificate of authority pursuant to ORS 731.402. Respondent is currently authorized to
22 transact Casualty (Including Workers Compensation), Marine and Transportation and
23 Property insurance within the state of Oregon.

24 2. On or about July 28, 2016, at the request of the Insurance Commissioner of
25 the State of California, the Superior Court of the State of California, City and County of
26 San Francisco issued an order, CPF-16-515183, placing Respondent into conservatorship.

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1 CONCLUSIONS OF LAW

2 The Director CONCLUDES that:

3 3. Under ORS 731.418(2), without advance notice of a hearing thereon, the
4 Director may suspend immediately the certificate of authority of any insurer as to which
5 proceedings for receivership, conservatorship, rehabilitation, or other delinquency
6 proceedings, have been commenced in any state by the public insurance supervisory
7 official of such state.

8 4. Under ORS 731.422(1), all suspensions or revocations of, or refusals to
9 continue, an insurer’s certificate of authority shall be by order of the Director.

10 5. Under ORS 731.422(2), upon suspending, revoking or refusing to continue the
11 insurer’s certificate of authority, the director forthwith shall give notice thereof to the
12 insurer’s insurance producers in this state of record in the Department of Consumer and
13 Business Services, and likewise shall suspend or revoke the authority of such insurance
14 producers to represent the insurer.

15 6. Under ORS 731.426(1), in an order suspending the certificate of authority of
16 an insurer, the Director may provide that the suspension expires at the end of a specified
17 period or when the director determines that the cause or causes of the suspension have
18 terminated.

19 7. Under ORS 731.426(2), during the suspension period the insurer shall not
20 solicit or write any new business in this state, but shall file its annual statement and pay
21 fees, licenses and taxes as required under the Insurance Code, and may service its
22 business already in force in this state, as if the certificate of authority had continued in
23 full force.

24
25 ORDERS

26 Now therefore, the Director issues the following Orders:

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1 the existence of facts necessary to support a final order by default should the Director
2 issue such an order.

3
4 SO ORDERED this 11th day of August, 2016.

5 _____ /s/ PATRICK M. ALLEN, Director
6 Department of Consumer and Business Services

7
8 _____ /s/ Laura N. Cali, Insurance Commissioner
9 Administrator, Division of Financial Regulation

10
11 NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING

12 As provided by the Oregon Administrative Procedures Act, ORS Chapter 183,
13 any person affected by the foregoing is entitled to a formal contested case hearing before
14 an Administrative Law Judge assigned by the Office of Administrative Hearings.

15 In accordance with ORS 183.415, a party must file a written request for a
16 contested case hearing within 20 days from the date the order was served personally, or
17 by registered or certified mail. An order that is served by registered or certified mail is
18 complete and effective on the date it is mailed to the correct address, even if it is not
19 received by the person to be notified or if that person fails or refuses to accept service of
20 the order.

21 If a party does not timely file a hearing request, their right to a hearing shall be
22 considered waived.

23 A written hearing request should be directed to:

24 Department of Consumer and Business Services
25 Division of Financial Regulation
26 350 Winter Street NE, Room 410
Salem, OR 97301-3881
Attn: Douglas Sedwick

27 In accordance with OAR 137-003-0550(1), a party that is a natural person may
28 submit a hearing request without the assistance of an attorney.

29 Subject to exceptions, any hearing request that is submitted on behalf of a
30 corporation, partnership, limited liability company, unincorporated association, trust or

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1 governmental body by a person that is not licensed to practice law in Oregon must be
2 ratified, in writing, by a person that is allowed to practice law in Oregon within 28 days
3 from the day the hearing request was received by the Director. In that circumstance, the
4 filing date will be the date the hearing request was received, not the ratification date. A
5 hearing request that is not properly ratified is invalid.

6 Any party that validly requests a hearing will be notified of the time and place of
7 the hearing. If a party does request a hearing, additional information regarding rights of
8 the party will be provided prior to the hearing. A legal aid organization may be able to
9 assist a party with limited financial resources.

10 The Director may enter a final order by default against any party that: 1) does not
11 file a request a hearing within 20 days from the date the order was served; 2) files a
12 hearing request, but does not timely ratify it (if required); 3) withdraws the request for a
13 hearing; or, 4) notifies the Director of the Department of Consumer and Business
14 Services or the Administrative Law Judge that they will not appear, or fails to appear, at
15 the scheduled hearing.

16 NOTICE TO ACTIVE DUTY SERVICEMEMBERS

17 Active duty service members have a right to stay these proceedings under the
18 federal Service members Civil Relief Act. For more information contact the Oregon State
19 Bar at 800-452-8260, the Oregon Military Department at 800-452-7500 or the nearest
20 United States Armed Forces Legal Assistance Office through
21 <http://legalassistance.law.af.mil>.

22 STATEMENT OF REASONABLE ACCOMMODATION

23 All proceedings will be conducted in a wheelchair accessible location. Written
24 materials may be provided and/or graphic displays may be presented during the
25 proceeding. For any other accommodation needed by individuals due to a disability,
26 please contact the agency staff person noted below.

AGENCY CONTACT INFORMATION

Questions concerning the issues raised in the order may be directed to Douglas
Sedwick, Oregon Department of Consumer and Business Services, Division of Financial
Regulation, Enforcement Section, telephone (503) 378-4140.

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