

**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
Cascade National Insurance Company,
Bellevue, Washington

SUSPENSION ORDER

) Case No. INS 04-11-016

INTRODUCTION

The Director of the Department of Consumer and Business Services (Director) hereby issues a Suspension Order to Cascade National Insurance Company (CASCADE) under Oregon Revised Statutes (ORS) 731.256 and 731.414 because the Director has reason to believe the following:

FINDINGS OF FACT

Since July 20, 1995, CASCADE, a Washington corporation, has been issued a certificate of authority pursuant to ORS 731.402. It is currently authorized to transact property and casualty excluding workers' compensation insurance within the state of Oregon.

On or about November 15, 2004, CASCADE filed financial statements reflecting capital and surplus of \$1,023,046 as of September 30, 2004.

ULTIMATE FINDINGS OF FACT

CASCADE did not maintain at least \$2,500,000 in capital and surplus, or any combination thereof, as required by ORS 731.554(1)

CONCLUSIONS OF LAW

CASCADE 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).

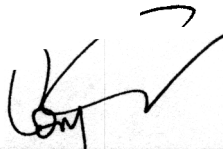
ORDER

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 The period of suspension shall be continuous from the date of this order until rescinded by further written order of the Director, pursuant to ORS 731.426(1).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

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

CASCADE 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 director within 21 days from the date of this order an affidavit certifying that notice to appointed producers has been provided.

Issued in duplicate the 3rd day of ~~December~~ ^{January}, 200~~4~~⁵.



Cory Streisinger
Director
Insurance Commissioner
Department of Consumer and Business Services

NOTICE

You are entitled to a hearing under ORS 183.415. You may be represented at a hearing by an attorney licensed in Oregon. If you want a hearing, you must deliver or mail a written request for a hearing to the Director addressed to Insurance Division, 350 Winter Street NE, Room 440, Salem, Oregon 97301-3883 or PO Box 14480, Salem, Oregon 97309-0405. The written request must be received by the Director within 21 calendar days after the date this order is delivered or mailed to you.

If you request a hearing within the time allowed, then you will be notified of the time and location of the hearing and information regarding contested case proceedings before the Director.

If you do not request a hearing within the time allowed, then you will waive your right to a hearing. Also, if you do not request a hearing within the time allowed, or if you do not appear at a scheduled hearing, then this order shall become final.

Pursuant to the Suspension Order dated 1-3-2005, Case No. INS 04-11-016 issued by Cory Streisinger, Director/Insurance Commissioner, Department of Consumer and Business Services, I certify that all current appointed producers in the state of Oregon have been notified regarding Cascade National Insurance Company'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 _____, 2004.

Notary public in and for the state of

My commission expires