STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: AMTRUST INSURANCE COMPANY OF KANSAS, INC., Respondent.	Case No. INS-17-0069 FINAL ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("the Director"), acting in accordance with the Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 (collectively, "the Insurance Code"), has decided to take enforcement action against Amtrust Insurance Company of Kansas, Inc. ("Amtrust" or "the company").

Amtrust wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed in this Order, Amtrust hereby CONSENTS to entry of this Order.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. Amtrust has been licensed in Oregon as a foreign insurer since June 16, 1993. The company's NAIC number is 15954.

2. Amtrust's last recorded principal business address is 4455 LBJ Freeway Ste 700, Dallas, TX 75244.

3. Amtrust is authorized to transact workers' compensation insurance in Oregon.

4. Workers' compensation insurers are required to make and maintain a deposit,

calculated by a statutory formula, for the payment of workers' compensation benefits. If the deposit falls below the calculated amount, insurers must make an additional deposit to cure the deficiency within 30 days of notification by the Director.

5. On March 28, 2017, the Director, through the Division of Financial Regulation ("the Division"), notified Amtrust by e-mail that it was required to make an additional deposit of assets with a market value of at least $150,541 to its workers' compensation deposit. The notice further stated that the additional deposit must be made by April 27, 2017, to avoid a late penalty of $500 a day.

6. On April 17, 2017, the Division sent a second e-mail notification to Amtrust, reminding the company that it had ten days remaining to make an additional deposit before it incurred a late penalty.

7. On April 26, 2017, the Division contacted Amtrust by telephone to inform the company that it needed to make an additional deposit to its workers' compensation deposit.

8. Amtrust made the additional deposit of $160,000 on May 3, 2017, six days after the due date.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

CONCLUSIONS OF LAW

The Director CONCLUDES that:

9. Under ORS 731.252(1), whenever the Director has reason to believe that any person has been engaged or is engaging or is about to engage in any violation of the Insurance Code, the Director may issue an order to that person to discontinue or desist from such violation or threatened violation.

10. ORS 731.628 authorizes the Director to require workers' compensation insurers to make and maintain a deposit, calculated by a statutory formula, for the payment of workers' compensation benefits.

11. If an insurer's worker compensation deposit falls below the calculated amount, ORS 731.616(3) authorizes the Director to require the insurer to make an additional deposit to cure the deficiency within 30 days of notification.

12. By making its additional deposit six days past the due date, Amtrust violated ORS 731.616(3).

13. ORS 731.988(1) authorizes the Director to impose upon Amtrust a civil penalty of up to $10,000 per violation of a provision of the Insurance Code.

ORDER

Now therefore, the Director issues the following Orders:

14. As authorized by ORS 731.252(1), the Director ORDERS Amtrust to CEASE AND DESIST from violating any provision of the Insurance Code or the administrative rules promulgated thereunder.

15. Pursuant to ORS 731.988(1), the Director ORDERS Amtrust to pay a CIVIL PENALTY of $3,000 for violating ORS 731.616(3).

16. The CIVIL PENALTY assessed herein is due and payable at the time this Order is submitted to the Director.

SO ORDERED this 20th day of June, 2017.

PATRICK M. ALLEN, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

ENTITY CONSENT TO ENTRY OF ORDER

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

I, Barry W. Moses, am an officer of Amtrust Insurance Company of Kansas, Inc. ("Amtrust"), and I am authorized to act on its behalf. I have read the foregoing Order and I know and fully understand the contents hereof. The factual allegations stated herein are true and correct. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Amtrust voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Amtrust understands that the Director reserves the right to take further action against it to enforce this Order or to take appropriate action upon discovery that Amtrust has committed other violations of the Oregon Insurance Code. Amtrust, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

Amtrust understands that this Order is a public document.

Signature: */s/ Barry W. Moses*

Position Held: Vice President, Regulatory & Compliance and Assistant Secretary

State of OHIO

County of CUYAHOGA

Signed or attested before me on this 6th day of June, 2017.

/s/ Janie V. Clark

Notary Public

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387