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

In the Matter of: SECURITY NATIONAL INSURANCE COMPANY, Respondent.	Case No. INS-17-0070 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 Security National Insurance Company ("Security National" or "the company").

Security National wishes to resolve and settle this matter with the Director.

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

FINDINGS OF FACT

The Director FINDS that:

1. Security National has been licensed in Oregon as a foreign insurer since May 20, 1993. The company's NAIC number is 19879.

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

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

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

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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 31, 2017, the Director, through the Division of Financial Regulation ("the Division"), notified Security National by e-mail that it was required to make an additional deposit of assets with a market value of at least $540,021 to its workers' compensation deposit. The notice further stated that the additional deposit must be made by April 30, 2017, to avoid a late penalty of $500 a day.

6. On April 18, 2017, the Division sent a second e-mail notification to Security National, reminding the company that it had twelve days remaining to make an additional deposit before it incurred a late penalty.

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

8. Security National made an additional deposit of $550,000 on May 3, 2017, three days after the due date.

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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 workers' 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 three days past the due date, Security National violated ORS 731.616(3).

13. ORS 731.988(1) authorizes the Director to impose upon Security National 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 Security National 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 Security National to pay a CIVIL PENALTY of $1,500 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

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ENTITY CONSENT TO ENTRY OF ORDER

I, Barry W. Moses, am an officer of Security National Insurance Company ("Security National"), 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. Security National 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. Security National 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 Security National has committed other violations of the Oregon Insurance Code. Security National, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

Security National 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 9th day of June, 2017.

/s/ Janie V. Clark

Notary Public

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