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

In the Matter of: SUBLIMITY INSURANCE COMPANY.	ORDER OF SUPERVISION

Pursuant to ORS 731.385 and 734.043(2)(a) and (2)(e), the Director, Department of Consumer and Business Services, Division of Financial Regulation (the "Director"), has reasonable cause to believe and has determined that Sublimity Insurance Company (the "Company"), an Oregon corporation and Oregon-domiciled insurer (NAIC Company Code 26824), is in such condition that its continuation of business with financial results currently reported is hazardous to the public or to its insureds, and has failed to observe an order of the Director to make good, within the time prescribed by law, a prohibited deficiency in its capital, capital stock, or surplus. The Director has authority under ORS 734.043 to enter this Order of Supervision (this "Order") immediately placing the Company under supervision.

Findings and Determinations

As of December 31, 2025, the Company reported capital and surplus below the statutory minimum in the amount of $53,404. The ongoing examination of the Company has revealed that the Company holds inadequate capital and surplus to continue operations in compliance with applicable law as it winds down its operations. Accordingly, the Company is in a hazardous financial condition, which condition alone is a basis for an order of immediate supervision pursuant to ORS 734.043(2)(a).

The financial condition of the Company indicates that the Company failed to adhere to the representations and assurances set forth in that certain letter dated September 30, 2024, from the Company to the Director, pursuant to which (i) the Company described its plan to wind down its operations and withdraw as an insurer from the state of Oregon, and (ii) the Director approved the plan of the Company to wind down its operations and withdraw as an insurer from the state

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of Oregon. The Company also failed to comply with repeated requests by the Director that the Company bring its capital and surplus into compliance with Oregon law. Such failures are a basis for an order of immediate supervision pursuant to ORS 734.043(2)(e).

Pursuant to ORS 734.043(2)(a), the Director determines that the financial condition of the Company is sufficient to place the Company under Supervision of the Director.

Pursuant to ORS 734.043(2)(e), the Director determines that the failure of the Company to comply with the Director-approved wind-down plan and the Director's repeated requests to bring the Company into compliance with Oregon law is sufficient to place the Company under Supervision of the Director.

Order Appointing Supervisor

Pursuant to ORS 734.043, the Director hereby orders that commencing at 8:00 AM PST on February 18, 2026, for a period of 60 calendar days (subject to extension under ORS 743.047(2)), the Company is under the supervision of the Director, that the Director is applying ORS 734.043 to 734.055 and OAR Chapter 836 Division 13 in conducting said supervision, and that the Director appoints TK Keen, Insurance Commissioner and Administrator of the Division of Financial Regulation, as the special deputy director to act for the Director as supervisor of the Company with authority to employ such counsel, clerks, and assistants as he deems necessary. The Insurance Commissioner may further, in his sole discretion, delegate this appointment, or any portion thereof, in writing to any person. The Company must be provided with a copy of any such delegation.

Order Limiting Actions of the Company

1. For the benefit of the Company's insureds, the Director will continue to hold the deposits of the Company in the original amount of $725,000. Such deposits will not be withdrawn or otherwise accessed or removed except by authority of the Director.

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2. Except pursuant to the prior written consent of the Director, the Company will not do any of the following:

a. Dispose of, convey, or encumber any of the Company's assets or business;

b. Withdraw from any of the Company's bank accounts;

c. Lend any of the Company's funds;

d. Invest any of the Company's funds;

e. Transfer any property of the Company;

f. Incur any debt, obligation or liability on behalf of the Company;

g. Merge or consolidate the Company with another insurer or other person;

h. Enter into any new reinsurance contract or treaty;

i. Make any material change in management;

j. Increase the salaries, benefits, or other compensation of any of the Company's executives, officers, or directors;

k. Make any distribution, any payment of dividends, or any payment determined by the Director to be preferential or outside the ordinary course of business; or

L. Take any other action materially affecting the business or condition of the Company.

The Company may at any time request a general written consent by the Director to specified types of actions that the Company undertakes in the ordinary conduct of its business if requesting consent for individual transactions would be unreasonably burdensome. The Director may, in the exercise of its sole discretion, grant or deny any such request. Any consent granted by the Director under this paragraph is revocable at any time as to future actions of the Company.

3. The Company will, upon request by the Director, provide all documentation and information determined by the Director to be necessary to verify compliance with the terms of this Order.

4. The Company shall deliver to the Director all such additional financial or other information as may be requested by the Director, including without limitation detailed plans with respect to managing the operating and other expenses of the Company. The Company shall

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deliver all such requested information within the time set by the Director unless the Company demonstrates good cause for additional time to respond to such a request.

5. Violation of this Order may result in civil penalties as outlined in ORS 731.988 and criminal penalties as outlined in ORS 731.992.

DATED this 18th day of February, 2026.

SEAN O'DAY, DIRECTOR
OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

By: 

TK Keen, Insurance Commissioner and Administrator
Oregon Department of Consumer and Business Services
Division of Financial Regulation

ACKNOWLEDGED this 24 day of February, 2026.

BOARD OF DIRECTORS OF SUBLIMITY INSURANCE COMPANY

By: DocuSigned by:
Steven Hauschild
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Steven D. Hauschild, Chairman