

MAY 3 1989

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPARTMENT OF INSURANCE
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In the Matter of)	
)	Docket No. <u>6891</u>
CASUALTY ASSURANCE RISK INSURANCE)	
BROKERAGE COMPANY,)	CONSENT ORDER
)	
)	
Respondent.)	
_____)	

WHEREAS the State of Arizona, Department of Insurance, has conducted an investigation of the transaction of business by Casualty Assurance Risk Insurance Brokerage Company ("Respondent") and as a result of that investigation has concluded that Respondent has transacted the business of insurance without a Certificate of Authority, and

WHEREAS the Respondent is of the position that any policies issued to physicians within the State of Arizona were lawfully issued pursuant to the terms of the Risk Retention Act of 1986, and

WHEREAS the Respondent wishes to resolve this matter without formal adjudicative proceedings,

The Director enters the following Findings of Fact, and Conclusions of Law, which are admitted by Respondent, and the following Order.

FINDINGS OF FACT

1. Respondent Casualty Assurance Risk Insurance Brokerage Company is a corporation incorporated under the laws of the Territory of Guam.

2. Respondent has applied for a Certificate of Authority to transact the business of insurance in the State of Arizona and

1 had made deposits in Arizona financial institutions totalling Five
2 Hundred Thousand Dollars (\$500,000.00) in connection with this
3 application.

4 3. Respondent holds a valid Certificate of Authority in
5 the Territory of Guam.

6 4. Respondent has accepted premiums from physicians
7 (Dr. Jonathan Agbebiyi, Dr. Jerome Bernhard, Dr. Kenneth Prebil,
8 Dr. Robert McMaster, Dr. Thomas Bodnar, Dr. Farshad Agahi,
9 Dr. Marvin Gibbs, and Dr. Steven Otto) physically located within
10 the State of Arizona for medical malpractice insurance and
11 currently insures at least two of those insureds.

12 5. Respondent accepted the above-described premiums and
13 provided the above-described insurance without holding a Certif-
14 icate of Authority to transact the business of insurance in the
15 State of Arizona.

16 CONCLUSIONS OF LAW

17 1. Respondent's acceptance of premiums and the provision
18 of insurance constitutes the unauthorized transaction of the
19 business of insurance under A.R.S. § 20-401.01(A).

20 ORDER

21 IT IS HEREBY ORDERED:

22 1. Respondent shall cease and desist from transacting
23 the business of insurance without appropriate authorization as
24 proscribed by A.R.S. § 20-401.01. In accordance with A.R.S.
25 § 20-402, nothing in this Order shall impair the validity of
26 insurance contracts issued by Respondent in this State.

27 2. Respondent shall withdraw its application for a
28 Certificate of Authority.

1 3. Respondent shall pay all valid claims arising out of
2 acts covered by any and all insurance policies issued by it to
3 physicians residing in Arizona for so long as such claims may
4 legally be brought against the physicians/insureds, provided,
5 however, that Respondent shall not be responsible for paying any
6 claims which are invalid by reason of any statute, rule of law, or
7 provision of the policy, including but not limited to statutes of
8 limitation.

9 4. Respondent concedes the jurisdiction of the State of
10 Arizona with regard to service of process in any action by the
11 Director, in accordance with A.R.S. § 20-401.03, or in any action
12 by a party other than the Director, in accordance with A.R.S.
13 § 20-403 or other applicable law.

14 5. Respondent shall, within 30 days of the date of this
15 order, remit to the State of Arizona premium taxes applicable to
16 the unauthorized insurance provided within the State of Arizona and
17 shall provide at the time of such submission an accounting accept-
18 able to the Department of Insurance.

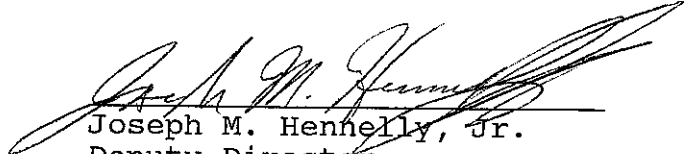
19 6. Respondent shall remit to the State of Arizona a
20 forfeiture in the amount of Five Thousand Dollars (\$5,000.00) on or
21 before the 5th day of May, 1989.

22 7. The Arizona Department of Insurance shall release any
23 and all interest in the documents evidencing certain certificates
24 of deposit made by Casualty Assurance Risk Insurance Brokerage
25 Company in Arizona financial institutions totalling Five Hundred
26 Thousand Dollars (\$500,000.00).

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DATED this 3rd day of May, 1989.


Joseph M. Hennelly, Jr.
Deputy Director

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CONSENT TO ORDER

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1. Respondent Casualty Assurance Risk Insurance Brokerage Company admits the jurisdiction of the Director of Insurance to enter this Order, and admits the Findings of Fact and Conclusions of Law and Order for the purposes of this proceeding and proceedings before the Arizona Department of Insurance.

2. Respondent Casualty Assurance Risk Insurance Brokerage Company consents to the foregoing Order, agrees to be bound thereby, waives its right to a notice of hearing, waives any and all hearings related to the Order and waives any and all rights to challenge the foregoing Findings of Facts, Conclusions of Law and Order on appeal or otherwise.

3. Respondent Casualty Assurance Risk Insurance Brokerage Company states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and declares that it has entered into this Order voluntarily.

4. Respondent Casualty Assurance Risk Insurance Brokerage Company acknowledges that acceptance of this Order is for the purposes of settling this particular Department of Insurance matter against it and does not preclude the Department of Insurance, the Department of Law or any other agency or officer of

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1 this State or subdivision thereof, from instituting other civil or
2 criminal proceedings as may be appropriate now or in the future.

3 DATED this 1 day of May, 1989.

4 CASUALTY ASSURANCE RISK
5 INSURANCE BROKERAGE COMPANY

6 By 
7 Martin Jans, President

8 COPY of the foregoing
9 mailed/delivered this
10 3rd of May, 1989, to:

11 S. David Childers, Esq.
12 Storey & Ross, P.C.
13 Court One - Fourth Floor
14 4742 North 24th Street
15 Phoenix, Arizona 85016

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