1	STATE OF ARIZONA	STATE OF ARIZONA FILED	
2	DEPARTMENT OF INSURANCE	APR 1 2005	
3		DEPT. OF INSURANCE BY	
4	In the Matter of		
5	SUBSCRIBERS AT CASUALTY) Docket No. RECIPROCAL EXCHANGE)	03A- <u>062</u> -INS	
6	(NAIC No. 21237) CONSENT	ORDER	
7	Respondent.		
8			
9	The State of Arizona, Department of Insurance (the "Department	"), has received evidence that	
10	Subscribers At Casualty Reciprocal Exchange ("Respondent") violated provisions of Arizona Revised		
11	Statutes ("A.R.S."), Title 20. Respondent wishes to resolve this matter without the commencement of		
12	formal proceedings, and admits the following Findings of Fact are true and consents to the entry of the		
13	following Conclusions of Law and Order.		
14	FINDINGS OF FACT		
15	Respondent Subscribers At Casualty Reciprocal Exchang	e ("Respondent") is domiciled	
16	in Missouri and presently holds a certificate of authority issued by the Arizona Department of Insurance		
17	("Department") to transact casualty, workers' compensation, disability,	marine and transportation,	
18	property, surety, and vehicle insurance.		
19	2. The Respondent's Quarterly Statement as of September 3	0, 2002 reported a negative	
20	surplus of (\$2,922,376), which is less than the minimum free surplus of \$1,250,000 Respondent is		
21	required to maintain in accordance with A.R.S. §20-211, and which represents an adverse finding with		
22	respect to the financial condition of the Respondent within the meaning of A.A.C. R20-6-308(A)(1).		

1	3.	Respondent's net loss from operations of (\$22,654,066) for the ninth month period ended
2	September 30	, 2002 exceeds 50% of its remaining surplus as regards policyholders that is in excess of
3	the minimum	required, and constitutes an adverse finding within the meaning of A.A.C. R20-6-
4	308(A)(7).	
5	4.	On December 19, 2002 in the Circuit Court of Cole County, Missouri, Respondent and its
6	affiliate, Equi	ty Mutual Insurance Company, consented to an order placing the insurers in rehabilitation
7	under the pro-	visions of Missouri law, and the Director of the Insurance Department of the State of
8	Missouri was	appointed rehabilitator of Respondent and its affiliate.
9	5.	Respondent no longer meets the requirements for the authority originally granted, on
10	account of de	ficiency in assets or otherwise, within the meaning of A.R.S. § 20-219(2).
11		CONCLUSIONS OF LAW
12	1.	The Director has jurisdiction over this matter.
13	2.	Grounds exist for the Director to suspend or revoke Respondent's certificate of authority
14	pursuant to A	.R.S. §§ 20-219(2) and 20-220(A).
15		ORDER
16	IT IS	ORDERED suspending the certificate of authority held by Respondent Subscribers At
17	Casualty Reci	iprocal Exchange to transact new and renewal insurance business, effective immediately.
18	DATE	ED AND EFFECTIVE this 3/2 day of March, 2003.
19		Calica
20		CHARLES R. COHEN Director of Insurance
21		Director of instrance
22		

CONSENT TO ORDER

- 1 2 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and 2. 3 admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and 4 5 Order. 3. 6 Respondent is aware of its right to notice and a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent irrevocably waives its right to such 7 8 notice and hearing and to any court appeals relating to this Consent Order. 4. 9 Respondent states that no promise of any kind or nature whatsoever, except as expressly 10 contained in this Consent Order was made to it to induce it to enter into this Consent Order and that it 11 has entered into this Consent Order voluntarily. 5. 12 Respondent acknowledges that the acceptance of this Consent Order by the Director is 13 solely to settle this matter against it and does not preclude any other agency, officer or subdivision of 14 this State from instituting civil or criminal proceedings as may be appropriate now or in the future. 15 SUBSCRIBERS AT CASUALTY 16 3/18/03 17 Date 18 COPY of the foregoing mailed/hand-delivered 19 this 1st day of 2001, 2003, to: 20 21 Rehabilitator of Casualty Reciprocal Exchange
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Jefferson City, Missouri 65102-0690

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