

JUL 30 2014

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY 

In the Matter of)
)
BANCINSURE INC. AKA)
RED ROCK INSURANCE COMPANY)
(NAIC No. 18538))
)
Respondent.)
_____)

Docket No. 14A-080-INS

ORDER SUMMARILY SUSPENDING
CERTIFICATE OF AUTHORITY
AND NOTIFICATION OF RIGHTS

The Arizona Department of Insurance (the "Department") alleges that Bancinsure aka Red Rock Insurance Company ("Respondent") has violated provisions of Arizona Revised Statutes ("A.R.S."), Title 20.

FINDINGS OF FACT

1. Respondent Bancinsure aka Red Rock Insurance Company ("Respondent") is domiciled in Oklahoma and presently holds a certificate of authority issued by the Arizona Department of Insurance (the "Department") to transact casualty with workers' compensation, disability, marine and transportation, property, surety and vehicle business.

2. On July 1, 2014, John D. Doak, Insurance Commissioner of the State of Oklahoma, and Respondent jointly agreed to an Order of Conservatorship, Oklahoma Insurance Department case number 14-0242-SOL (the "Oklahoma Conservatorship").

4. Respondent did not contest the Oklahoma Conservatorship and consented to its entry.

5. The Oklahoma Conservatorship found that Respondent:

a. consented to an Order of Hazardous Financial Condition in Oklahoma on March 13, 2014;

b. was placed in Supervision in Oklahoma on May 19, 2014; and

1 c. failed to comply with the necessary requirements to abate the two
2 Oklahoma orders, including a requirement to achieve an RBC ratio of
3 300% or more.

4 6. In its first quarter financial statement to the Arizona Department of Insurance,
5 Respondent disclosed SAP surplus in the amount of (\$11,740,624).

6 7. Respondent's surplus as regards policyholders is less than \$250,000.

7 **CONCLUSIONS OF LAW**


8 1. Respondent's surplus as regards policyholders balance does not meet the
9 minimum surplus as regards policyholders set forth in A.R.S. § 20-210.

10 2. Respondent is in unsound financial condition or in such condition as to render
11 its further transaction of insurance in this state hazardous to the policyholders or to the people
12 of this state, within the meaning of A.R.S. §§ 20-219(2), 20-220(A)(3), 20-220.01(A)(1).

13 **ORDER**

14 IT IS ORDERED summarily suspending the Arizona certificate of authority held by
15 Respondent and effective immediately, prohibiting the issuance of new and renewal
16 insurance except for guaranteed renewable insurance as provided by Arizona or federal law.

17 DATED this 29th day of July, 2014.

18 

19 DARREN T. ELLINGSON
20 Deputy Director of Insurance

NOTIFICATION OF RIGHTS

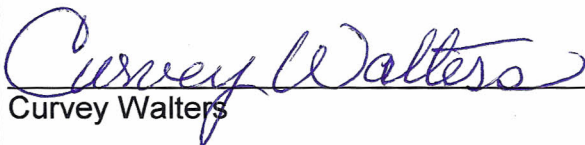
You have the right to request a hearing on this determination by filing a notice of appeal after your receipt of this notice. The notice of appeal must identify the party appealing, the party's address, the matter being appealed and must contain a detailed statement of the reason for the appeal. Your hearing will be treated as a "contested case" and promptly instituted and determined as prescribed by A.R.S. §§41-1001(4), 41-1092.11(B) and 41-1092.05(E) to the extent the Office of Administrative Hearings calendar permits. In any event, your hearing will be held within sixty (60) days of your notice of appeal is filed, unless the hearing is advanced or delayed by agreement or a showing of good cause by any party. The Department of Insurance will promptly serve a "Notice of Hearing" in accordance with A.R.S. §41-1092.05(E) that will inform you of the date, time and location of the hearing as well as the issues.

If you file an appeal, you may also request an "informal settlement conference" pursuant to A.R.S. §41-1092.06 by filing a written request **no more than twenty (20) days before the scheduled hearing.** The conference will be held within fifteen (15) days after our receipt of your request. If an informal settlement conference is requested, a person with the authority to act on behalf of the Department of Insurance will be present. Please note that you waive any right to object to the participation of the Department's representative in the final administrative decision of the matter if it is not settled.

Your notice of appeal and/or request for an informal settlement conference may be addressed to the attention of:

Hearing Administration
Arizona Department of Insurance
Notice of Appeal
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018-7256

1 COPY of the foregoing mailed/hand-delivered
this 30th day of July, 2014, to:
2
3 Michael Beasley, Chief Operating Officer
4 Red Rock Insurance Company
5104 North Francis Avenue, Suite 101
4 Oklahoma City, Oklahoma 73118
5
6 J. Angela Ables
201 Robert S. Kerr Avenue, Suite 600
6 Oklahoma City, Oklahoma 73102
7
8 James A. Mills, Chief of Staff
Oklahoma Insurance Department
8 Five Corporate Plaza
3625 NW 56th Street, Suite 100
9 Oklahoma City, Oklahoma 73112
10
11 Michael E. Surguine
Executive Director
11 Arizona Property and Casualty Insurance Guaranty Fund
1110 W. Washington, Suite 270
12 Phoenix, AZ 85007
13
14 Lynette Evans
Assistant Attorney General
14 Arizona Attorney General's Office
1275 West Washington
15 Phoenix, Arizona 85007
16
17 Darren Ellingson, Deputy Director
Kurt Regner, Assistant Director
17 Cary Cook, Chief Financial Compliance Officer
Shelby Cuevas, Financial Affairs Legal Analyst
18 Mary Kosinski, Executive Assistant for Regulatory Affairs
Arizona Department of Insurance
19 2910 N. 44th Street, Suite 210
Phoenix, Arizona 85018
20

21 
22 Curvey Walters