

STATE OF ARIZONA

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FILED

DEPARTMENT OF INSURANCE

APR 17 2015

In the Matter of the Surplus Contribution to )  
 )  
**ELITE TRANSPORTATION** )  
**RISK RETENTION GROUP, INC.** )  
**(NAIC No. 10125)** )  
 )  
**from** )  
**Bull's-Eye Express, Inc.** )  
 )  
 Real Party in Interest. )

DEPT OF INSURANCE

Docket No. 15A-037-INS *MS*

ORDER SUA SPONTE

The Arizona Department of Insurance (the "Department"), pursuant to the authority granted in Arizona Revised Statutes §20-1098.03(B), makes the following disposition of an unconditional letter of credit payable to, filed with, and held by the Director in trust for the protection of all policyholders, ceding insurers, and related expenses.

**FINDINGS OF FACT**

1. Elite Transportation Risk Retention Group, Inc. ("Elite") is an Arizona-domiciled risk retention group, founded and licensed in 2005 which specializes in commercial transportation companies. Elite is an insurance company permitted under the Risk Retention Group Act of 1986. Elite is an Arizona captive, owned and capitalized by its policyholders, all of which are in a common industry.

2. Real Party in Interest, Bull's-Eye Express, Inc. ("Bull's-Eye"), is an active carrier operating under USDOT Number 716717. Bull's-Eye is a member-policyholder of Elite.

3. In accordance with A.R.S. §20-1098.03(B), the minimum capital and surplus requirements, Bull's-Eye made a surplus contribution to Elite in the form of a letter of credit in the amount of \$64,000. The letter of credit was issued by York Traditions Bank (their

1 reference number 2011-001) dated January 3, 2011, and PNC Bank was the confirming bank  
2 (PNC reference 18121506-00-000).

3 4. On December 11, 2014, PNC notified the Department that it elected not to renew the  
4 letter of credit, and the credit would expire on April 15, 2015.

5 5. Pursuant to Article 6 of the Shareholder Agreement between Elite and Bull's-Eye, Elite  
6 is entitled to hold contributed surplus funds for at least one year after termination of coverage.  
7 The agreement also provides that any capital return is subject to approval by the Board of  
8 Directors and the Department.

9 6. At this time, neither the Board of Directors nor the Department has approved a capital  
10 return to Bull's-Eye.

### 11 **CONCLUSIONS OF LAW**

12 1. The expiring letter of credit is payable to, filed with, and held by the Director in trust for  
13 the protection of all policyholders, ceding insurers, and related expenses, as required by  
14 A.R.S. §20-1098.03(B).

15 2. Pursuant to the definitions in A.R.S. §20-1098, Elite is an owner-controlled insurance  
16 company.

17 3. Under both the Shareholder Agreement and A.R.S. §20-1098.03(B), Elite, which is  
18 owned and capitalized by its policyholders, is entitled to hold contributed surplus funds for at  
19 least one year after termination.

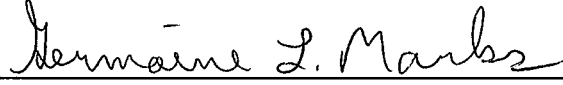
### 20 **ORDER**

21 IT IS ORDERED calling the letter of credit identified as PNC, reference 18121506-00-  
22 000 and forwarding the proceeds to Elite, as permitted by A.R.S. §20-1098.03(B).

23 IT IS FURTHER ORDERED THAT Elite shall hold the proceeds from the letter of credit  
in accordance with all relevant sections of the Shareholder Agreement and other governing

1 documents. Elite shall seek approval from the Board of Directors and the Department before  
2 arranging the capital return to Bull's-Eye.

3 DATED this 15<sup>th</sup> day of April, 2015.

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6 GERMAINE L. MARKS  
7 Director of Insurance

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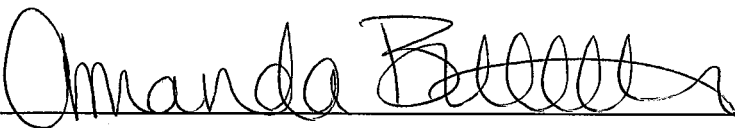
1 COPY of the foregoing mailed/hand-delivered  
this 15 day of April, 2015, to:

2 Elite Transportation Risk Retention Group, Inc.  
3 c/o Risk Services  
4 1605 Main Street, SUITE 800  
5 Sarasota, FL 34236

6 Rick Keller  
7 Bull's Eye Express, Inc.  
8 5 Willow Springs Circle  
9 York, PA 17402

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