

STATE OF ARIZONA
FILED

JUL 17 2018

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY MS

In the Matter of:

CRC INSURANCE SERVICES, INC.
(National Producer No. 77110)
(AZ License Number 1800002668)

No. 18A-035-INS
CONSENT ORDER

Respondent.

The State of Arizona Department of Insurance ("Department") has received evidence that **CRC Insurance Services, Inc. ("Respondent")** violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Finding of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. CRC Insurance Services, Inc. ("CRC") is, and was at all material times, licensed as an Arizona non-resident insurance producer with authority for property, casualty, life and accident and health or sickness and as an Arizona non-resident surplus lines insurance broker, License number 1800002668. CRC's license expires on May 31, 2019.

2. CRC's address of record with the Department is: One Metroplex Dr., #400, Birmingham, AL 35209 (business and mailing).

3. HDI Specialty Insurance Company, Inc., NAIC Number 16131 ("HDI Specialty"), is an Illinois-domiciled property and casualty insurance company that was not, at all material times, authorized to transact insurance in Arizona or qualified with the Interim Director, within the meaning of A.R.S. §§ 20-413(A) and (G).

1 4. On or about December 28, 2017, after confirming that HDI Specialty was
2 authorized to write property and casualty business in its state of domicile and
3 maintained minimum capital and surplus of \$15 million as required by A.R.S. § 20-
4 413(B), CRC placed surplus lines coverage on behalf of an insured whose home state
5 is Arizona with HDI Specialty.

6 5. Subsequent to the placement, CRC provided the Director a certificate
7 pursuant to A.R.S. § 20-413(F) demonstrating HDI Specialty was authorized in good
8 standing in its state of domicile, the amounts of HDI Specialty's capital and surplus, and
9 the amount of the trust deposit the insurer maintains.

10 6. On or about March 30, 2018, the Department added HDI Specialty to the
11 Arizona List of Qualified Unauthorized Insurers.

12 CONCLUSIONS OF LAW

13 1. The Interim Director has jurisdiction over this matter.

14 2. A broker shall restrict all surplus lines business placed by the broker with
15 an unauthorized insurer to those insurers qualified with the Interim Director as provided
16 in A.R.S. § 20-413(G).

17 3. Respondents' conduct, as described above, constitutes placing surplus
18 lines coverage on behalf of an insured whose home state is Arizona with an
19 unauthorized insurer not qualified with the Interim Director, within the meaning of A.R.S.
20 §§ 20-413(A) and (G).

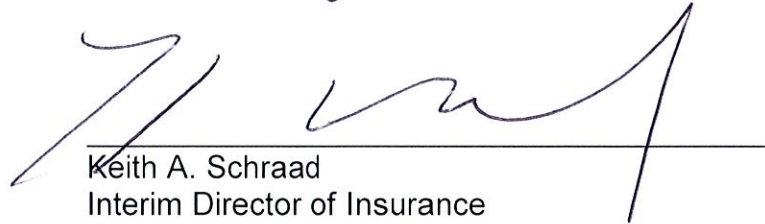
21 4. Grounds exist for the Interim Director to deny or suspend for not more
22 than twelve months, revoke or refuse to renew Respondent's surplus lines broker's
23 license and, in addition or in lieu thereof, to levy a civil penalty and order restitution to
24 any injured party for failing to comply with any requirement of Title 20, Chapter 2, Article
25 5, pursuant to A.R.S. § 20-418(A)(1).

1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

3 1. Respondent shall pay to the Department a civil penalty in the amount of
4 \$250.00 for deposit into the State General Fund.

5 Effective this 12 day of July, 2018

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8 
9 Keith A. Schraad
Interim Director of Insurance

10 **CONSENT TO ORDER**

11 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of
12 Law and Order.

13 2. Respondent admits to the jurisdiction of the Interim Director of Insurance,
14 State of Arizona, and admits the foregoing Findings of Fact and consents to the entry of
15 the foregoing Conclusions of Law and Order.

16 3. Respondent is aware of its right to notice and a hearing at which it may be
17 represented by counsel, present evidence and examine witnesses.

18 4. Respondent irrevocably waives its right to such notice and hearing and to
19 any court appeals relating to this Consent Order.

20 5. Respondent states that no promise of any kind or nature whatsoever,
21 except as expressly contained in this Consent Order, was made to induce it to enter into
22 this Consent Order and that it has entered into this Consent Order voluntarily.

23 6. Respondent acknowledges that the acceptance of this Consent Order by
24 the Director is solely to settle this matter against it and does not preclude any other
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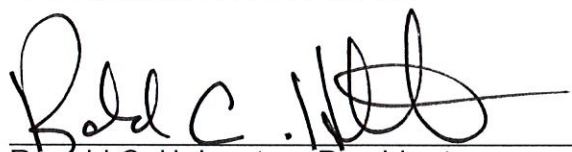
1 agency, officer, or subdivision of this state including the Department from instituting civil
2 or criminal proceedings as may be appropriate now or in the future not related to this
3 matter.

4 7. Respondent acknowledges that this Consent Order is an administrative
5 action that the Department will report to the National Association of Insurance
6 Commissioners (NAIC). Respondent further acknowledges that it must report this
7 administrative action to any and all states in which it holds an insurance license and
8 must disclose this administrative action on any license application.

9 8. Ronald C. Helveston represents that he is the President of CRC Insurance
10 Services, Inc. and, as such, is authorized to enter into this Consent Order on its behalf.

11 CRC Insurance Services, Inc.

12
13 6/27/18
14 Date

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14 _____
15 Ronald C. Helveston, President

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21 **COPY** of the foregoing delivered by regular mail
22 this 17th day of July, 2018, to:

23 Parimah Hassouri
24 Drinker Biddle & Reath LLP
25 1177 Avenue of the Americas, 41st Floor
New York, NY 10036-2714
Attorneys for Respondent

1 **COPY** delivered same date to:

2 Mary Kosinski, Regulatory Legal Affairs Officer
3 Catherine M. O'Neil, Consumer Legal Affairs Officer
4 Steven Fromholtz, Assistant Director, Consumer Protection Division
5 Aqueelah Currie, Licensing Supervisor
6 Sharyn Kerr, Consumer Protection Division
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Maidene Scheiner