

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

STATE OF ARIZONA  
FILED

OCT 15 1996

DEPT. OF INSURANCE  
BY CWB

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3 In the Matter of )  
4 )  
5 **Peer Insurance Risk Retention** )  
6 **Group Corporation** )  
7 NAIC No. 10082 )  
8 Respondent. )

Docket No. 96A-177

**CONSENT ORDER**

9 The Arizona Department of Insurance, ("Department"), has received evidence that  
10 Respondent, Peer Insurance Risk Retention Group Corporation ("Peer"), offered insurance in this  
11 state without first registering in this state. Respondent wishes to resolve this matter without the  
12 commencement of formal proceedings, and admits the following Findings of Fact are true and  
13 consents to entry of the following Conclusions of Law and Order.

**FINDINGS OF FACT**

- 14  
15 1. Respondent is a risk retention group domiciled in the state of Hawaii.  
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17 2. Respondent currently has pending before the Department, a submission for registration as  
18 a foreign risk retention group for the purpose of offering medical malpractice insurance in  
19 Arizona, as required by A.R.S. § 20-2403(A).  
20 3. On or about March 1, 1995, Peer submitted to the Department its Annual Statement for  
21 the year 1994, and paid the appropriate filing fee.  
22 4. According to its 1994 Annual Statement, Peer wrote \$243,000 in direct premiums in  
23 Arizona during 1994.  
24 5. On or about March 1, 1995, Peer timely paid \$4,860 in premium taxes relative to 1994,  
25 pursuant to A.R.S. §§ 20-2403(C) and 20-224.  
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6. On or about March 1, 1996, Peer submitted to the Department its Annual Statement for the year 1995, and paid the appropriate filing fee.

7. According to its 1995 Annual Statement, Peer wrote \$221,455 in direct premiums in Arizona during 1995.

8. By installments, Peer timely paid \$4429.10 in premium taxes relative to 1995, pursuant to A.R.S. §§ 20-2403(C) and 20-224.

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**CONCLUSIONS OF LAW**

1. The Director has jurisdiction over this matter.
2. The conduct of the Respondent constitutes offering insurance in this state without first becoming registered, in violation of A.R.S. § 20-2403(A).
3. Respondent is subject to fines and penalties applicable to licensed insurers generally, pursuant to A.R.S. §§ 20-220, 20-2403(M), 20-2409 and 20-2410.

**ORDER**

IT IS ORDERED THAT:

Respondent shall pay a civil penalty in the amount of \$5,000 to the Director payable upon entry of this Order, for remission to the State Treasurer for deposit in the State General Fund.

DATED AND EFFECTIVE THIS 15<sup>th</sup> day of October, 1996.

  
\_\_\_\_\_  
JOHN KING, DIRECTOR  
DEPARTMENT OF INSURANCE

**CONSENT TO ORDER**

1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.
2. Respondent admits the foregoing Findings of Fact and consents to the entry of the foregoing \_\_\_\_\_ Order.

1 3. Respondent is aware of its right to notice and a hearing at which it may be represented by  
2 counsel, present evidence and cross-examine witnesses. Respondent irrevocably waives its right  
3 to such notice and hearing and to any court appeals relating to this consent order.

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

7  
8 5. Respondent acknowledges that the acceptance of this Consent Order by the Director of  
9 Insurance, State of Arizona, is solely to settle this matter against it and does not preclude any  
10 other agency, officer or subdivision of this state from instituting civil or criminal proceedings as  
11 may be appropriate now or in the future.

12 6. Respondent specifically reserves any and all rights it may have under the Federal Liability  
13 Risk Retention Act, 15 U.S.C. §3901 et seq., to assert any defense including federal preemption  
14 in any other matter involving the Director of Insurance, the Arizona Department of Insurance or  
15 the State of Arizona; nothing herein is intended to be any waiver of Respondent's rights,  
16 privileges or entitlements under federal law.  
17

18  
19 PEER INSURANCE RISK RETENTION GROUP CORPORATION

20 10/10/96  
Date

By 

Its Secretary

1 Copies of the foregoing mailed this 15th day of October, 1996.

2 Sherman S. Hee, Director  
3 Peer Insurance Risk Retention Group Corporation  
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10 Wayne C. Metcalf  
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14 State of Hawaii  
15 P.O. Box 3614  
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17 Charles R. Cohen, Deputy Director  
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