
BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT,

Complainant,

vs.

NexGen Insurance Company, Inc.
5139 Bridlewood Court
Long Grove, IL 60047
alex.grunfeld@modernsilicone.com,

Respondent.

NOTICE OF AGENCY ACTION AND
ORDER

Docket No. 2018-4013

Lisa Watts Baskin
Presiding Officer

NOTICE OF AGENCY ACTION

The Utah Insurance Department (“the Department”) commences this agency action against NexGen Insurance Company, Inc. (“Respondent”) pursuant to Utah Code §31A-2-201 and 63G-4-201 through 203 and to Utah Admin. Code R590-160.

This agency action is based on the facts and law set forth in the attached Declaration and is designated as an informal adjudicative proceeding pursuant to Utah Code §63G-4-202(1) and Utah Admin Code R590-160-4 and 7.

ORDER

Based on the facts and the law set forth in the attached Declaration, and good cause appearing, the Utah Insurance Commissioner orders as follows:

1. Respondent’s certificate of authority to conduct an insurance business in this state shall be revoked.


2. Pursuant to Utah Code §63G-4-203(1)(i) and Utah Admin. Code R590-160-7(1), this informal adjudicative proceeding shall be deemed closed, and this Order shall become final and take full effect, 15 days after this Notice of Agency Action and Order is emailed to Respondent unless a request for a hearing on this matter is received from Respondent prior to that date.

3. A request for a hearing shall be sent by email to uidadmincases@utah.gov or by U.S. mail to Office of the Administrative Law Judge, Utah Insurance Department, 3110 State Office Building, Salt Lake City, UT 84114. The request for hearing shall be signed by the person making the request and shall state the basis for the relief requested.

4. If you fail to request a hearing you will be bound by this Order. Failure to request a hearing will be deemed a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

DATED this 6th day of July, 2018.

TODD E. KISER
Utah Insurance Commissioner



LISA WATTS BASKIN
Presiding Officer
Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114
801-538-3800
uidadmincases@utah.gov

NOTICE REGARDING ENFORCEMENT OF THE ORDER

Failure to obey the Order may subject you to further penalties that include forfeitures of up to \$2,500 per violation, license suspension or revocation, further enforcement action before the Utah District Court where forfeitures of up to \$10,000 may be imposed. If you are licensed in other jurisdictions, you may be required to report this proceeding to those jurisdictions.

DECLARATION

Under criminal penalty of Utah law, I, Stephanie Liu, declare the following:

1. I am currently employed as a Financial Examiner with the Utah Insurance Department where my responsibilities include investigating and enforcing Utah insurance laws.

2. I submit this Declaration as the basis for issuing the Notice of Agency Action and Order against NexGen Insurance Company, Inc. to which this Declaration is attached.

3. Based on my personal knowledge and/or based on the facts appearing in the Department's records and files, the following facts are true:

a. Respondent has failed to file the annual report of financial condition for year ended December 31, 2017 before March 1, 2018.

b. Respondent has failed to pay the annual license renewal fee of \$5,250 by June 1, 2018.

c. Respondent has liquidated its bank accounts and failed to maintain an unimpaired minimum capital and surplus requirement of \$250,000.

d. Respondent has failed to maintain an approved captive manager as of January 2018.

No formal notification has been submitted to the Utah Insurance Department by neither captive manager, Alta Holdings, LLC, nor NexGen Insurance Company, Inc.. But it is our understanding and interpretation from previous communication that the contractual relationship between the two parties has ended as of January 2018.

4. The above declared facts demonstrate that the following Utah insurance law(s) were not complied with:

a. Before March 1 of each year, a captive insurance company shall submit to the commissioner a report of the financial condition of the captive insurance company, verified by

oath of one of the executive officers of the captive insurance company under Utah Code §31A-37-501 and Utah Administration Code R590-238-4.

b. A captive insurance company shall pay an annual fee of \$5,250 to renew a certificate of authority under Utah Code §31A-3-304 and Utah Administration Code R590-102-8, R590-102-23.

c. The commissioner may not issue a certificate of authority to a company unless the company possesses and thereafter maintains unimpaired paid-in capital and unimpaired paid-in surplus of \$250,000 in the case of a pure captive insurance company under Utah Code §31A-37-204(1)(c)(i).

d. No person shall act, in or from this state, as a captive insurance manager, broker, agent, or salesman, or reinsurance intermediary for captive business without the authorization of the commissioner under Utah Administration Code R590-238-13.

5. Based on Utah Code §31A-37-505 and similar enforcement cases, Respondent's authority as a captive insurance company to conduct an insurance business in this state should be revoked.

DATED this 5th day of July, 2018.


Stephanie Liu, Financial Examiner
Utah Insurance Department