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**BEFORE THE UTAH INSURANCE COMMISSIONER**

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<p>UTAH INSURANCE DEPARTMENT,  Complainant,  v.  KINGSMAN INSURANCE COMPANY, INC.,  Respondent.</p>	<p><b>FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER</b></p> <p>Docket No. 2018-4018</p> <p>Lisa Watts Baskin Presiding Officer</p>
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Complainant Utah Insurance Department ("the Department") and Respondent Kingsman Insurance Company, Inc. ("Kingsman") have stipulated to entry of the following Findings of Fact, Conclusions of Law, and Order. Based on that stipulation, and good cause appearing, the Presiding Officer makes and enters the following:

**FINDINGS OF FACT**

1. Kingsman is a captive insurer. Kingsman's business address is Dual Diagnosis Treatment Center, Inc., 1211 Puerta Del Sol Ste. 200, San Clemente, CA 92673-6342.
2. Kingsman did not have a captive manager from February 2018 until November 1,

2018.

3. Kingsman did not submit the required Statement of Actuarial Opinion (“SAO”) until August 23, 2018. The SAO was due March 1, 2018.

4. Kingsman did not submit its annual audit until September 28, 2018. The audit was due on June 30, 2018.

### CONCLUSIONS OF LAW

1. The Utah Insurance Commissioner has jurisdiction over the parties and this formal proceeding pursuant to Utah Code §§ 31A-1-105, 31A-2-201 and 31A-2-308.

2. The Utah Insurance Commissioner has legal authority to impose penalties on the Department's licensees who violate the Utah Insurance Code. Utah Code § 31A-2-308.

3. Under Utah Code § 31A-37-202(4)(b)(ii) and R590-238-13, captive insurers are required to file with the commissioner evidence of the adequacy of the expertise, experience, and character of the person who will manage the applicant captive insurance company.

4. Utah Code § 31A-37-501(2) and Utah Administrative Code R590-238-4(4) require a captive insurance company to 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, and including a statement of actuarial opinion by a qualified actuary, before March 1 of each year.

5. Utah Administrative Rule R590-238-6(1) requires captive insurance companies to have an annual audit by an independent certified public accountant approved by the commissioner. The annual audit is due on June 30 of each year.

6. Kingsman’s conduct in paragraphs 2 through 4 of the Findings of Fact violates the

above named statutes and rules.

**ORDER**

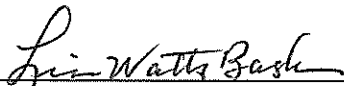
Based on the foregoing Findings of Fact and Conclusions of Law, it is ordered:

1. Kingsman is ordered not to commit the violations described in the Conclusions of Law in the future.

2. Kingsman is placed on probation for a period of twelve months beginning on the date this order is signed. Kingsman will promptly respond to all Department requests for documents and other information and will submit all required statements on or before their due date.

DATED this 13<sup>th</sup> day of November, 2018.

TODD E. KISER  
Insurance Commissioner

  
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LISA WATTS BASKIN  
Presiding Officer  
Utah Insurance Department