
BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT,

Complainant,

vs.

LIVINGSTON NATIONAL INSURANCE
COMPANY, INC.

2825 E. Cottonwood Parkway, Suite 500

Salt Lake City, UT 84121

tschmidt@pacificrisksolutions.com,

Respondent.

NOTICE OF AGENCY ACTION AND
ORDER

Docket No. 2018-4019

Lisa Watts Baskin

Presiding Officer

NOTICE OF AGENCY ACTION

The Utah Insurance Department (“the Department”) commences this agency action against Livingston National Insurance Company, Inc. (“Respondent”) pursuant to Utah Code §§ 31A-2-201 and 63G-4-201 through 63G-4-203 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 R590-160-7.

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 is revoked.

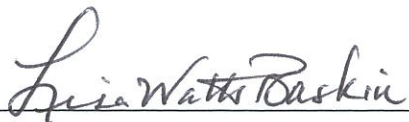
2. Pursuant to Utah Code § 63G-4-203(1)(i) and Utah Admin. Code R590-160-7(1), this informal adjudicative proceeding shall be deemed closed, and this Order shall become final and take full effect, 15 days after this Notice of Agency Action and Order is emailed to Respondent unless a request for a hearing 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 16th day of August, 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, Steven Price, 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 Livingston National 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 audit of financial for year ended December 31, 2017, by the July 31, 2018, extension date.

b. Respondent has failed to pay the annual license renewal fee of \$5,250 by June 1, 2018, nor to pay \$5,300 (inclusion of \$50 late fee) by the July 15, 2018, deadline.

c. Respondent has failed to send notification of the change of actuary and auditor by July 31, 2018.

d. Respondent has failed to file Form A for the change of captive ownership by July 31, 2018.

e. Respondent has failed to appoint a new Resident Director as required by July 31, 2018.

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

a. Before June 30 of each year, a captive insurance company shall submit to the commissioner an audited financial report by an independent certified public accountant,

approved by the commissioner of the captive insurance company under Utah Admin. Code R590-238-6.

b. A captive insurance company shall pay an annual fee and e-commerce fee of \$5,250 (and \$50 late fee, if applicable) to renew a certificate of authority under Utah Code § 31A-3-304 and Utah Admin. Code R590-102-8, R590-102-22, and R590-238-20.

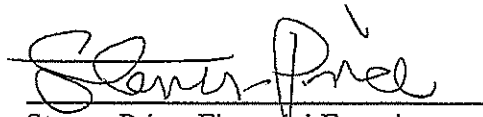
c. A captive insurance company should have an actuary, approved by the commissioner that shall submit a Statement of Actuarial Opinion who certifies as to the reasonableness of the company's loss reserves and loss expense reserves under Utah Admin. Code R590-238-6(3)(e) and an independent certified public accountant, approved by the commissioner that shall file an audited financial report under Utah Admin. Code R590-238-6 and R590-238-7. Any changes to the initial application should be reported under Utah Admin. Code R590-238-18.

d. The acquisition of control of or merger of a captive insurance company shall be reported pursuant to Utah Code § 31A-16-103 under Utah Admin. Code R590-238-16.

e. A captive insurance company should maintain a board of directors and at least one of the members shall be a resident of this state pursuant to Utah Code § 31A-37-301(12) and under Utah Admin. Code R590-238-14 and R590-238-18(3).

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 15th day of August 2018.


Steven Price, Financial Examiner
Utah Insurance Department