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BEFORE THE UTAH INSURANCE COMMISSIONER

<p>UTAH INSURANCE DEPARTMENT, Complainant, vs. SARATOGA INSURANCE CO. INC., Respondent.</p>	<p>NOTICE OF AGENCY ACTION AND ORDER</p> <p>Docket No. 2024-4595</p> <p>Donald H. Hansen Administrative Law Judge/Presiding Officer</p>
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NOTICE OF AGENCY ACTION

The Utah Insurance Department (“the Department”) commences this agency action as an informal adjudicative proceeding against Saratoga 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 insurance business as a captive insurance company in the State of Utah, number 177767, 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 in writing and sent by email to uidadmincases@utah.gov or by U.S. mail to Office of the Administrative Law Judge, Utah Insurance Department, 4315 S. 2700 W., Suite 2300, Taylorsville, UT 84129.

4. The request for hearing shall be signed by the person making the request and shall state the basis for the relief requested.

5. 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 27th day of February 2024.

JONATHAN T. PIKE
Utah Insurance Commissioner

/s/ Donald H. Hansen
DONALD H. HANSEN
Administrative Law Judge/Presiding Officer
Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, UT 84129
Telephone: 801-957-9321
Email: uidadmincases@utah.gov

NOTICE REGARDING ENFORCEMENT OF THE ORDER

Failure to obey this Order may subject you to further penalties that include a forfeiture of up to \$5,000 per violation, with each day of the violation constituting a separate violation. Other penalties for failing to obey this Order may include license suspension, probation, refusal to renew, or revocation. Failure to obey this Order may also result in an action being taken against you in a court of competent jurisdiction where forfeitures of up to \$10,000 for each day the failure to comply continues until judgment is rendered. If you are licensed in other jurisdictions, you may be required to report this proceeding in those jurisdictions.

DECLARATION

Under criminal penalty of Utah law, I, George Hofmann, declare the following:

1. I am currently employed as an Insurance Financial Regulator in the Captive Division of the Utah Insurance Department (“Department”) where my responsibilities include investigating and enforcing Utah insurance laws.

2. I submit this Declaration as the basis for issuing the Notice of Informal Adjudicative Proceeding and Order against Saratoga Insurance Company, Inc., (“Respondent”) 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. The Respondent is a pure captive insurer, authorized to do insurance business in Utah under Utah certificate of authority, number 177767.

b. Pursuant to Utah Code §§ 31A-3-304(1)(a) and 31A-37-201(6)(a), and Utah Admin. Code R.590-102-8, R.590-102-23, and R.590-238-20(2), a captive insurance company is required to pay to the Department an annual certificate of authority renewal fee.

c. On March 13, 2023, the Department sent Respondent its annual invoice via Respondent’s approved captive manager, Active Captive Management. Respondent was required to pay its certificate of authority renewal fee of \$7,550 no later than June 1, 2023.

d. On August 3, 2023, and again on November 1, 2023, November 22, 2023, December 8, 2023, January 3, 2024, and January 22, 2024, the Department sent notifications to the Respondent, via Respondent’s captive manager, advising Respondent they were not in

compliance and reminding Respondent to pay its renewal fee.

e. To date, Respondent has failed to respond to any of the Department's communications and has failed to pay its renewal fee.

f. Pursuant to Utah Admin. Rule R.590-238-17(1), the commissioner may revoke the license of a company if the company has not commenced business according to its plan of operation within two years of being licensed; or if the company has ceased to carry on insurance business in or from within Utah.

g. Further follow up by the Department found that between Respondent's original certificate of authorization issue date of June 12, 2015, through December 31, 2022, Respondent has not written a policy or reinsured a risk, and Respondent has not yet filed its 2023 annual report.

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

a. Respondent violated Utah Code §§ 31A-3-304(1)(a) and 31A-37-201(6)(a)(iii), by failing to pay to the Department a certificate of authority renewal fee, assessed annually;

b. Respondent violated Utah Admin. Codes R.590-102-8(3)(b), R.590-102-23, and R.590-238-20(2), by failing to pay to the Department a certificate of authority renewal fee, assessed annually; and

c. Respondent violated Utah Admin. Code R.590-238-17(1), by failing to commence business according to its plan of operation within two years of being licensed; or failing to cease to carry on insurance business in or from within Utah.

5. Based on Utah Code § 31A-37-505 and other similar enforcement cases,

Respondent's certificate of authority to conduct insurance business as a captive insurance company in the State of Utah, number 177767, should be revoked.

DATED this 27th day of February, 2024, at Salt Lake City, Salt Lake County, Utah.

/s/ George Hofmann
George Hofmann, Financial Regulator
Utah Insurance Department

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date a true and correct copy of the foregoing Notice of Agency Action and Order, with the Declaration attached to it, was emailed to:

Saratoga Insurance Company, Inc.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

and

George Hofmann
Utah Insurance Department

[REDACTED]

DATED this 27th day of February 2024.

/s/ Jeanine Couser
Jeanine Couser
Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, UT 84129
(801) 957-9321