

STATE OF ARIZONA
DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

BEDIVERE INSURANCE COMPANY,
(NAIC NO. 21970)

Respondent.

No. 21A-023-INS

**ORDER SUMMARILY SUSPENDING
CERTIFICATE OF AUTHORITY AND
NOTIFICATION OF RIGHTS**

The Arizona Department of Insurance and Financial Institutions (the “Department”) alleges that **Bedivere Insurance Company (“Respondent”)** has violated provisions of Arizona Revised Statutes (“A.R.S.”), Title 20. In light of the serious nature of these allegations, the Director of the Department (“Director”) finds that the public health, safety and welfare imperatively requires emergency action, within the meaning of A.R.S. § 41-1092.11(B).

FINDINGS OF FACT

1. Respondent is domiciled in Pennsylvania and presently holds a certificate of authority issued by the Department to transact property and casualty insurance in Arizona.

2. Respondent’s continued operation of insurance business in the State of Arizona is deemed to be hazardous to its policyholders, creditors and/or the general public for the following reasons:

a. Respondent’s surplus does not meet the minimum statutory requirements for the authority originally granted pursuant to A.R.S. § 20-210. Respondent filed its most recent Annual Statement for the period ending December 31, 2020. The Annual Statement reflected a Statutory Accounting Principles surplus in the amount of negative two hundred and seventy-seven million four hundred eighty-five thousand two hundred sixty-four dollars (-\$277,485,264).

1 b. Respondent is deemed to be insolvent pursuant to A.R.S. § 20-611(8) by having a
2 negative surplus and failing to meet minimum surplus requirements.

3 c. A Petition for Liquidation (“Petition”) has been filed in the Commonwealth Court of
4 Pennsylvania by the Pennsylvania Commissioner of Insurance against Respondent. In
5 the Petition, filed on March 2, 2021, the Pennsylvania Commissioner asserts that
6 Respondent is statutorily insolvent and has consented to the liquidation.

7 3. Given Respondent's financial condition, the Director finds that the public health,
8 safety and welfare of the Arizona public will be put at risk if Respondent is allowed to continue
9 transacting property and casualty insurance in the State of Arizona.

10 **CONCLUSIONS OF LAW**

11 1. The Department may order summary suspension of a license if it makes a finding that
12 the public health, safety or welfare imperatively requires emergency action, pursuant to A.R.S. § 41-
13 1092.11(B).

14 2. The Director shall suspend or revoke the certificate of authority of any insurer which no
15 longer meets the requirements for the authority originally granted, on account of deficiency in assets or
16 otherwise, pursuant to A.R.S. § 20-219(2).

17 3. The Director may, after a hearing, refuse to renew or may revoke or suspend an insurer's
18 certificate of authority, in addition to other grounds therefor in Title 20, if the Director finds the insurer
19 to be in unsound condition or in such condition as to render its further transaction of insurance in this
20 state hazardous to its policyholders or to the people of this state, pursuant to A.R.S. § 20-220(A)(3).

21 4. Pursuant to A.R.S. § 20-220.01(A) the Director has considered all relevant standards in
22 determining that the continued operation of Respondent in this state is deemed hazardous to
23 policyholders, creditors and the general public.

1 **ORDER**

2 IT IS ORDERED summarily suspending the Arizona certificate of authority held by Bedivere
3 Insurance Company and, effective immediately, prohibiting the issuance of new and renewal Arizona
4 insurance policies.

5 DATED AND EFFECTIVE this 8th day of March, 2021.

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7 _____
8 Evan G. Daniels, Director
9 Arizona Department of Insurance and
10 Financial Institutions

11 **NOTIFICATION OF RIGHTS**

12 **You have the right to request a hearing on this determination by filing a notice of appeal**
13 **after your receipt of this notice.** The notice of appeal must identify the party appealing, the party's
14 address, the matter being appealed and must contain a detailed statement of the reason for the appeal.
15 Your hearing will be treated as a "contested case" and promptly instituted and determined as prescribed
16 by A.R.S. §§ 41-1092(43), 41-1092.05(E) and 41-1092.11(B) to the extent the Office of Administrative
17 Hearings' calendar permits. In any event, your hearing will be held within 60 days of the filing of your
18 notice of appeal, unless the hearing is advanced or delayed by agreement or a showing of good cause by
19 any party. The Department will serve a "Notice of Hearing" in accordance with A.R.S. § 41-
20 1092.05(D) that will inform you of the date, time and location of the hearing as well as the issues to be
21 determined.

22 If you file an appeal, you may also request an "informal settlement conference" pursuant to
23 A.R.S. § 41-1092.06 by filing a **written request no more than twenty (20) days before the scheduled**

1 **hearing.** The conference will be held within 15 days after our receipt of your request. If an informal
2 settlement conference is requested, a person with the authority to act on behalf of the Department will
3 be present. Please note that you waive any right to object to participation of the Department's
4 representative in the final administrative decision of the matter if it is not settled.

5 Your notice of appeal and/or request for an information settlement conference may be addressed
6 to the attention of:

7 **Arizona Department of Insurance and Financial Institutions**
8 **Hearing Administration – Notice of Appeal**
9 **100 N. 15th Ave., Suite 261**
10 **Phoenix, Arizona 85007-2630**

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12
13 **COPY** of the foregoing mailed by Certified Mail,
14 Electronic Receipt Requested
15 this 9th day of March, 2021, to:

16 Bedivere Insurance Company
17 c/o Corporation Service Company
18 8825 N. 23rd Avenue, Suite 100
19 Phoenix, Arizona 85021
20 Respondent

9489 0090 0027 6265 2238 46

21 **COPY** of the foregoing emailed/delivered same date to:

22 Kurt Regner, Assistant Director
23 Cary Cook, Chief Financial Compliance Officer
Deian Ousounov, Regulatory Legal Affairs Officer
Liane Kido, Financial Affairs Division
Ana Starcevic, Legal Assistant
Arizona Department of Insurance and Financial Institutions
100 N. 15th Ave., Suite 261
Phoenix, Arizona 85007-2630

1 **COPY** of the foregoing delivered electronically
same date to:

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Bedivere Insurance Company
Attn: Bryan John Enos, President
benos@armourrisk.com

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Respondent

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Lynette Evans
Assistant Attorney General
AdminLaw@azag.gov
Attorney for the Department of Insurance

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8 *Ana Starcevic* for
Francine Juarez

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