

MAR 10 2006

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY CB

In the Matter of )  
 )  
NATIONAL TRANSPORTATION )  
RISK RETENTION GROUP, INC. )  
 )  
Respondent. )  
 )  
 )  
 )

Docket No. 06A-017-INS

FIRST SUMMARY SUSPENSION  
AMENDMENT

On February 10, 2006, the Director of the Department of Insurance (the "Director"), issued an Order Summarily Suspending Certificate of Authority and Notification of Rights ("Suspension Order") pursuant to which the Director suspended Respondent's certificate of authority. A copy of the Suspension Order is attached hereto as Exhibit "A" and incorporated herein by reference.

Subsequent to the issuance of the Suspension Order, Respondent's captive manager, Marc LaPointe of USA Risk Group, Inc., notified the Department of Insurance (the "Department") that he intended to resign as captive manager. Respondent notified the Department that it intends to retain Roy Gill as its new captive manager. In recognition of this substitution of Respondent's captive manager, the Director hereby amends the terms and conditions of the Suspension Order as follows:

**IT IS ORDERED THAT:**

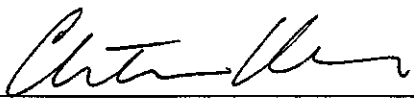
Paragraph 2, subsections (a) and (b) of the Suspension Order shall read as follows:

- a. Pursuant to A.R.S. § 20-1098.16, Respondent shall place all of its books and records in the custody and control of its captive manager Roy Gill as soon as is practicable.

1            b.            Respondent shall comply with all conditions specified in its certificate of  
2 authority Conditions Addendum including the appointment of its captive manager Roy Gill as a  
3 signatory on all of Respondent's cash and investment accounts.

4            All other terms and conditions of the Suspension Order shall remain in full force and  
5 effect.

6            DATED this 10<sup>th</sup> day of March 2006.

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8            \_\_\_\_\_  
9            CHRISTINA URIAS  
10           Director of Insurance

11  
12          COPY of the foregoing delivered  
13 this 10th day of March 2006, to:

14          S. David Childers    (HAND-DELIVERED)  
15 2999 North 44<sup>th</sup> Street, Suite 250  
16 Phoenix, Arizona 85018

17          Moira A. McCarthy    (REGULAR MAIL)  
18 Office of the Attorney General  
19 1275 W. Washington Street  
20 Phoenix, Arizona 85007-2997

21          Roy Gill    (CERTIFIED MAIL)  
22 President  
23 National Transportation Risk Retention Group, Inc.  
2999 North 44<sup>th</sup> Street, Suite 250  
Phoenix, Arizona 85018-2143

                Marc J. Lapointe    (CERTIFIED MAIL)  
                USA Risk Group, Inc.  
                8149 E. Evans Road, Suite C-08  
                Scottsdale, Arizona 85260

1 Gerrie Marks, Deputy Director (HAND-DELIVERED)  
Mary Kosinski, Executive Assistant for Regulatory Affairs  
2 Steve Ferguson, Assistant Director  
Rod Morris, Captive Insurance Administrator  
3 Dean Ehler, Assistant Director  
Alan Griffith, Chief Financial Examiner  
4 Kurt Regner, Chief Financial Analyst  
Herb Swafford, Financial Affairs Legal Analyst  
5 Arizona Department of Insurance  
2910 N. 44th Street, Suite 210  
6 Phoenix, Arizona 85018

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Curvey Walters Burton

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FEB 10 2006

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY Kate

In the Matter of )  
NATIONAL TRANSPORTATION )  
RISK RETENTION GROUP, INC. )  
Respondent. )

Docket No. 06A-017-INS

ORDER SUMMARILY SUSPENDING  
CERTIFICATE OF AUTHORITY  
AND NOTIFICATION OF RIGHTS

The State of Arizona, Department of Insurance (the "Department"), has received evidence that National Transportation Risk Retention Group, Inc. ("Respondent") violated provisions of Title 20, Arizona Revised Statutes ("A.R.S.").

FINDINGS OF FACT

1. Respondent is a captive insurer domiciled in Arizona and presently holds a certificate of authority issued by the Department to transact casualty without workers' compensation and without employer liability insurance.

2. The Director of Insurance for the State of Arizona (the "Director") required Respondent to maintain one million five hundred thousand dollars (\$1,500,000) in capital and surplus. A.R.S. § 20-1098.03(A)(2) and (C).

3. The Department required and Respondent agreed to the following conditions prior to issuance of its certificate of authority on September 12, 2005: that Respondent provide immediate notification to the Department should its capital and surplus fall below one million five hundred thousand dollars (\$1,500,000); and that Respondent's captive manager be a signatory on all checks or as an alternative, sign off on all bills prior to the issuance of said checks.



ORDER

IT IS ORDERED:

1. Suspending the Arizona certificate of authority held by Respondent and prohibiting the issuance of new and renewal insurance business, effective February 10, 2006;

2. During the pendency of its suspension, Respondent shall comply with all applicable provisions of Title 20 including, but not limited to, the following:

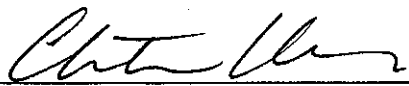
a. Pursuant to A.R.S. § 20-1098.16, Respondent shall place all of its books and records in the custody and control of its captive manager USA Risk Group, Inc.

b. Respondent shall comply with all conditions specified in its certificate of authority Conditions Addendum including the appointment of its captive manager USA Risk Group, Inc. as a signatory on all of Respondent's cash and investment accounts.

c. Respondent shall cancel or non-renew all insurance contracts by notice sent to each policyholder no later than March 1, 2006. The cancellations shall be effective at the earliest possible date in accordance with applicable law.

d. Within five (5) business days from the date of this Order, Respondent shall provide the Department with an Amended Business Plan.

DATED this 10<sup>th</sup> day of February 2006.

  
CHRISTINA URIAS  
Director of Insurance

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## NOTIFICATION OF RIGHTS

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**You have the right to request a hearing on this determination by filing a notice of appeal after your receipt of this notice.** The notice of appeal must identify the party appealing, the party's address, the matter being appealed and must contain a detailed statement of the reason for the appeal. Your hearing will be treated as a "contested case" and promptly instituted and determined as prescribed by A.R.S. §§41-1001(4), 41-1092.11(B) and 41-1092.05(E) to the extent the Office of Administrative Hearings calendar permits. In any event, your hearing will be held within sixty (60) days of the date your notice of appeal is filed, unless the hearing is advanced or delayed by agreement or a showing of good cause by any party. The Department of Insurance will promptly serve a "Notice of Hearing" in accordance with A.R.S. §41-1092.05(E) that will inform you of the date, time and location of the hearing as well as the issues.

If you file an appeal, you may also request an "informal settlement conference" pursuant to A.R.S. §41-1092.06 by filing a written request **no more than twenty (20) days before the scheduled hearing.** The conference will be held within fifteen (15) days after our receipt of your request. If an informal settlement conference is requested, a person with the authority to act on behalf of the Department of Insurance will be present. Please note that you waive any right to object to the participation of the Department's representative in the final administrative decision of the matter if it is not settled.

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

Hearing Administration, Arizona Department of Insurance  
Notice of Appeal  
2910 North 44<sup>th</sup> Street, Suite 210  
Phoenix, Arizona 85018-7269

1 COPY of the foregoing delivered  
this 10<sup>th</sup> day of February 2006, to:

2 S. David Childers (HAND-DELIVERED)  
3 2999 North 44<sup>th</sup> Street, Suite 250  
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7 Roy Gill (CERTIFIED MAIL)  
8 President  
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9 2999 North 44<sup>th</sup> Street, Suite 250  
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19 Kathy Linder for  
Curvey Walters Burton