

STATE OF ARIZONA
DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

**AMERICAN SERVICE INSURANCE
COMPANY, INC.**

(NAIC NO. 42897)

Respondent.

No. 20A-050-INS

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

The Arizona Department of Insurance and Financial Institutions (the "Department") alleges that American Service Insurance Company, Inc. ("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 Illinois 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 filed its most recent Quarterly Report for the period ending September 30, 2018. The Report reflected a surplus in the amount of forty-six million one hundred seventy-nine three hundred nineteen dollars (\$46,179,319.00).

1 b. On or about August 11, 2020, The Circuit Court of Cook County, Illinois County
2 Department, Chancery Division (“The Circuit Court”) entered an Agreed Order of
3 Liquidation With a Finding of Insolvency against Respondent (Case No. 19 CH 7852).

4 c. The Circuit Court found that “[s]ufficient cause exists for the entry of an order placing
5 American Service ... into liquidation proceedings and providing for the liquidation of
6 [its] property, business and affairs ... including that American Service ... [is] insolvent
7 and in a hazardous condition”.

8 3. In light of the serious nature of these allegations, the Director finds that the public
9 health, safety and welfare of the Arizona public will be put at risk if Respondent is allowed to continue
10 transacting property and casualty insurance in the State of Arizona.

11 **CONCLUSIONS OF LAW**

12 1. The Department may order summary suspension of a license if it makes a finding that
13 the public health, safety or welfare imperatively requires emergency action, pursuant to A.R.S. § 41-
14 1092.11(B).

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

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

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1 1092.05(D) that will inform you of the date, time and location of the hearing as well as the issues to be
2 determined.

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

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

11 **Arizona Department of Insurance and Financial Institutions**
12 **Hearing Administration – Notice of Appeal**
13 **100 N. 15th Ave., Suite 261**
14 **Phoenix, Arizona 85007-2630**

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18
19 **COPY** of the foregoing mailed by U.S. First Class Mail and
20 Certified Mail, Electronic Receipt Requested
this 9th day of September, 2020, to:

21 American Service Insurance Company, Inc.
22 953 American Land, 3rd Floor
23 Schaumburg, IL 60173
Respondent

9489 0090 0027 6266 7577 77

COPY of the foregoing emailed/delivered same date to:

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

COPY of the foregoing delivered electronically same date to:

American Service Insurance Company, Inc.
Attn: Diana Jenkins, Compliance Manager
compliance@atlas-fin.com
Respondent

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

Ana Starcevic for

Francine Juarez