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FILED 

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Department of Insurance  
State of Idaho

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:

JAMESTOWN INSURANCE COMPANY,  
A RISK RETENTION GROUP,

Idaho Registration No. 3739  
NAIC No. 11589

Docket No. 18-2796-12

**ORDER TO CEASE AND DESIST**

The State of Idaho, Department of Insurance (Department), hereby alleges the following facts that constitute a basis for the issuance of an order, pursuant to Idaho Code §§ 41-4811 and 41-213(1)(a), requiring JAMESTOWN INSURANCE COMPANY, A RISK RETENTION GROUP (JAMESTOWN), to immediately cease and desist from engaging in the business of insurance in Idaho.

**RESPONDENT**

1. JAMESTOWN is a risk retention group domiciled in the state of South Carolina and registered in Idaho to transact casualty insurance, excluding worker's compensation insurance, under registration number 3739.

## **FINDINGS OF FACT**

2. On September 24, 2012, a Consent Order Commencing Rehabilitation Proceedings & Granting an Injunction & Automatic Stay of Proceedings was issued in the Court of Common Pleas, Fifth Judicial District, State of South Carolina, County of Richmond, in Case No. 2012-CP-40-6360, against JAMESTOWN based on the petition of the Acting Director for the State of South Carolina Department of Insurance. Such Consent Order cited as a ground for placing JAMESTOWN in rehabilitation a provision in South Carolina law authorizing such action if “the further transaction of business would be hazardous, financially to [a company’s] policyholders, creditors, or the public and/or when the board of directors or the holders of a majority of the shares of stock entitled to vote request or consent to rehabilitation.”

## **CONCLUSIONS OF LAW AND VIOLATIONS**

3. Idaho Code § 41-4805(8)(b) prohibits the “solicitation or sale of insurance by, or operation of, a risk retention group that is in hazardous financial condition or is financially impaired.” The issuance of the above-described order for the rehabilitation of JAMESTOWN supports the conclusion that JAMESTOWN is “in hazardous financial condition or is financially impaired” within the meaning of Idaho Code § 41-4805(8)(b).

4. Because JAMESTOWN is in hazardous financial condition or is financially impaired within the meaning of Idaho Code § 41-4805(8)(b), as set forth in paragraphs 2 and 3 above, for JAMESTOWN to continue to transact the business of insurance in Idaho under such circumstances would violate the prohibition set forth in Idaho Code § 41-4805(8)(b).

5. Idaho Code § 41-4812 provides that “[a] risk retention group which violates any provision of [title 41, chapter 48, Idaho Code] will be subject to fines and penalties applicable to licensed insurers generally, including revocation of its license and/or the right to do business in this state.”

6. Idaho Code § 41-4811 provides that the Director of the Idaho Department of Insurance (Director) is authorized to use any of the powers authorized by title 41, Idaho Code, to enforce the laws of this state, so long as such powers are not specifically preempted by the Product Liability Risk Retention Act of 1981, as amended. Such section authorizes the Director to issue such orders as necessary to enforce Idaho laws, including title 41, Idaho Code.

7. Idaho Code § 41-213(1)(a) provides that, if the Director believes that any person has engaged in or is about to engage in any act or practice which violates title 41, Idaho Code, the Director may issue an order requiring the person to cease and desist from any prohibited act or practice.

8. Idaho Code § 67-5247 provides that an agency may act through an emergency proceeding in a situation involving an immediate danger to the public health, safety, or welfare requiring immediate agency action.

### **ORDER**

The Director, having reviewed the foregoing, finding good cause, and determining that the entry of this order is required for the protection of the public,

NOW, THEREFORE, based on the foregoing, and pursuant to the sections of the Idaho Code set forth above, including particularly Idaho Code §§ 41-213(1)(a) and 67-5247, IT IS HEREBY ORDERED that JAMESTOWN shall immediately CEASE AND DESIST from engaging in the business of insurance in Idaho.

This ORDER TO CEASE AND DESIST is effective immediately and shall remain in effect until such time as the Director determines that JAMESTOWN's financial condition warrants the withdrawal of this order.

**IT IS SO ORDERED.**

### NOTIFICATION OF RIGHTS

This is a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See* Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
- iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED this 15<sup>TH</sup> day of October, 2012.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

  
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WILLIAM W. DEAL  
Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 15th day of October, 2012, I caused a true and correct copy of the foregoing ORDER TO CEASE AND DESIST to be served upon the following by the designated means:

Jamestown Insurance Company  
A Risk Retention Group  
1327C Ashley River Road, Suite 200  
Charleston, SC 29407

☒ first class mail  
☒ certified mail  
☐ hand delivery  
☐ via facsimile

Gwendolyn Fuller McGriff, Acting Director  
South Carolina Department of Insurance  
P.O. Box 100105  
Columbia, SC 29202-3105

☒ first class mail  
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☐ via facsimile

A. René Martin  
Deputy Attorney General  
Idaho Department of Insurance  
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☐ certified mail  
☒ hand delivery  
☐ via facsimile

  
Teresa Jones