

FILED

DEC - 8 2023

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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:

United Heritage Property & Casualty
Company

Certificate of Authority No. 149526031

NAIC ID No. 18939

Docket No. 18-4349-23

**Findings and Stipulated Order
Regarding Block Nonrenewal**

On November 1, 2023, the Idaho Department of Insurance ("Department") received notice from United Heritage Property & Casualty Company ("UHPC") of its intent to discontinue offering and to implement block nonrenewal of the following types of coverage delivered or issued for delivery in Idaho:

Farmowner coverage;

Umbrella coverage;

Condominium homeowner coverage;

Owner-occupied homeowner coverage;

Tenant homeowner coverage.

UHPC represented that its proposed block nonrenewals would affect approximately 8,100 policies, which would be nonrenewed at their natural expiration dates beginning March 1, 2024.

The Director of the Department ("Director"), having reviewed the foregoing and Idaho Code § 41-1841(1), and acting pursuant to Idaho Code § 41-210(2), finds that UHPC has provided the notice required by Idaho Code § 41-1841(1).

Therefore, the parties agree that UHPC shall not nonrenew any block of insurance described in this Order before the date specified by Idaho Code § 41-1841(1), which is **March 1, 2024**.

The Department's review of this request took into consideration UHPC's stated reasons for this action, including the company's need to "aggressively manage" their risks and "improve financial strength." The company's reasons were supported by evidence including their recent reported operating results, the loss experience associated with the aforementioned blocks of business, and the company's risk-based capital levels. Based upon this review, the Department finds that UHPC may need to take additional actions to restore the company's financial condition.

Therefore, the parties further agree that henceforth, UHPC shall not transact any new business in the aforementioned blocks of business, without first obtaining the Director's express permission. In addition, UHPC shall provide the Department with the following documents:

1. A monthly report to include, for each type of coverage, the number of policies that have been discontinued for any reason and those that remain in effect as of the last day of each month between the date of this Order and March 31, 2025;

2. Copies of any consumer complaints received by the company concerning any of the aforementioned blocks of business between the date of this Order and March 31, 2025;
3. Copies of any reinsurance contracts, upon their execution, concerning any transfer of risk relating to the aforementioned blocks of business through at least March 31, 2025;
4. A monthly report of the company's financial position at the close of each month. The report should include at least a balance sheet, income statement, and statement of cash flows, in addition to a current estimate of UHPC's risk-based capital ratio. The report shall be filed no later than the 20th day following the end of each preceding month. This reporting shall continue until such time as the department determines it no longer necessary;
5. By January 20, 2024, a copy of a detailed plan of corrective actions that UHPC intends to take through at least March 31, 2025, to restore the company's financial condition. The plan should include specific or measurable targets with established dates to be assessed or achieved by company management.
6. Copies of all Board meeting minutes through March 31, 2025. These should include evidence of the Board's continued oversight and involvement in the implementation of the plan of corrective actions required above.

The parties agree that the terms of this Stipulated Order are appropriate and proper under the circumstances referenced herein. UHPC acknowledges that it has read this Stipulated Order and understands its contents; that it has been given the opportunity to discuss this Stipulated Order with independent legal counsel of its choosing; and that it has stipulated knowingly, voluntarily, and with full knowledge of any rights it may be waiving thereby.

UHPC agrees that, upon execution of this Stipulated Order, no subsequent action or assertion shall be maintained or pursued in any manner asserting the invalidity of this Stipulated Order and its provisions. This Stipulated Order embodies the entire agreement between the Department and UHPC, and there are no agreements, understandings, representations, or warranties that are not expressly set forth herein. This Stipulated Order shall be a public record under the Idaho Public Records Act.

Agreed this 6th day of December, 2023.

United Heritage Property & Casualty Company

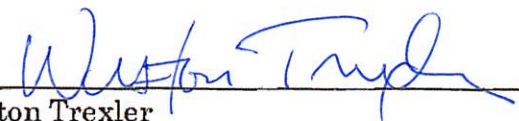
By: 
VP & CFO

Approved as to Form:

By: 
Attorney for United Heritage Property & Casualty Company


Agreed this 7 day of December, 2023.

State of Idaho
Department of Insurance

By: 
Weston Trexler
Deputy Director
Idaho Department of Insurance

Approved as to Form:

State of Idaho
Department of the Attorney General

By: 
Michael Witry
Deputy Attorney General
Attorney for the Department of Insurance

Order

The parties hereto, namely the Idaho Department of Insurance and United Heritage Property & Casualty Company ("UHPC") having entered into the foregoing Stipulation, and the form of the order having been approved, the Director, having reviewed the same, does hereby find that there is a factual basis for entry of a Final Order herein.

Now, therefore, based upon the foregoing and in consideration of the premises:

It is hereby ordered that UHPC shall not nonrenew any block of insurance described in this Order before the date specified by Idaho Code § 41-1841(1), which is **March 1, 2024**.

It is further ordered that henceforth, UHPC shall not transact any new business in the aforementioned blocks of business in the State of Idaho, without first obtaining the Director's express permission.

It is further ordered that UHPC shall provide the Department with the following documents:

1. A monthly report to include, for each type of coverage, the number of policies that have been discontinued for any reason and those that remain in effect as of the last day of each month between the date of this Order and March 31, 2025;

2. Copies of any consumer complaints received by the company concerning any of the aforementioned blocks of business between the date of this Order and March 31, 2025;
3. Copies of any reinsurance contracts, upon their execution, concerning any transfer of risk relating to the aforementioned blocks of business through at least March 31, 2025;
4. A monthly report of the company's financial position at the close of each month. The report should include at least a balance sheet, income statement, and statement of cash flows, in addition to a current estimate of UHPC's risk-based capital ratio. The report shall be filed no later than the 20th day following the end of each preceding month. This reporting shall continue until such time as the department determines it no longer necessary;
5. By January 20, 2024, a copy of a detailed plan of corrective actions that UHPC intends to take through at least March 31, 2025, to restore the company's financial condition. The plan should include specific or measurable targets with established dates to be assessed or achieved by company management.
6. Copies of all Board meeting minutes through March 31, 2025. These should include evidence of the Board's continued oversight and involvement in the implementation of the plan of corrective actions required above.

Dated this 8 day of December 2023.

State of Idaho
Department of Insurance



Dean L. Cameron
Director

Notification of Rights

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

Any such motion for reconsideration shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may file a petition for judicial review 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.

A petition for judicial review must be filed within 28 days of: (a) the service date of this final order, (b) the service of an order denying motion for reconsideration, or (c) the failure within 21 days to grant or deny a motion for reconsideration, whichever is later. *See Idaho Code § 67-5273.* The filing of a petition for judicial

review does not itself stay the effectiveness or enforcement of the order under appeal.

Idaho Code § 67-5274.

Certificate of Service

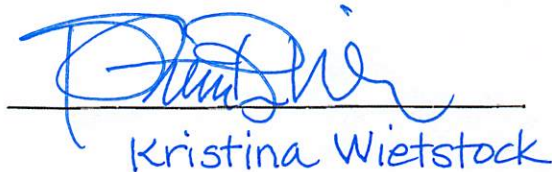
I hereby certify that on this 8th day of December, 2023, I caused a true and correct copy of the foregoing Findings and Stipulated Order Regarding Block Nonrenewal to be served upon the following by the designated means:

United Heritage Property & Casualty
Company
PO Box 5555
Meridian, ID 83860

- ☐ First Class Mail
- ☐ Certified Mail
- ☐ Hand Delivery
- ☐ Facsimile
- ☐ Email:

John Keenan
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

- ☐ First Class Mail
- ☐ Certified Mail
- ☒ Hand Delivery
- ☐ Facsimile
- ☐ Email: john.keenan@doi.idaho.gov


Kristina Wietstock