

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:

Sublimity Insurance Company

Certificate of Authority No. 1876

NAIC ID No. 26824

Docket No. 18-4506-24

**Order Consenting to Policy  
Nonrenewals**

The Idaho Department of Insurance ("Department") received notice from Sublimity Insurance Company ("Sublimity"), a foreign insurer domiciled in Oregon, of its request to discontinue offering and to implement block nonrenewal of its personal auto insurance policies delivered or issued for delivery in Idaho.

**Findings of Fact**

Sublimity represented that its proposal would affect approximately 1,463 policies, which would be nonrenewed beginning on or about January 1, 2025. Sublimity proposed to notify all policyholders approximately forty-five days in advance of the nonrenewal.

In support of its request, Sublimity provided the following information:

1. Sublimity was found to be in hazardous operating condition by the Insurance Commissioner of Oregon on November 8, 2024. Sublimity was ordered to suspend the issuance of both new and renewal policies by the Insurance Commissioner of Oregon.

Sublimity is domiciled in Oregon, which is considered a reciprocal state for purposes of insurer supervision pursuant to Chapter 33, Title 41, Idaho Code.

2. Since 2020, Sublimity's risk-based capital has declined to unsafe levels, with elevated underwriting losses for personal auto insurance policies contributing significantly to this decline.

3. Since 2020, Sublimity's policyholder surplus has dramatically declined, with a net loss of \$7.5 million since July 1, 2023 alone. The company's ongoing losses, without nonrenewals, are projected to bring the company's surplus below legal limits by the second quarter of 2025.

4. Should Sublimity's policyholders renew, the company is projected to be insolvent by the time the renewed policies expire, potentially resulting in unpaid policyholder claims.

5. Sublimity has experienced an extremely high level of auto claims, including during the first six months of 2024. Sublimity's prior year development for the first six months of 2024 was over twice its five-year average of second quarter year-to-date auto claim development for 2018 through 2022.

6. Sublimity continues to experience elevated uninsured/underinsured motorist claims, including 59 over the past nineteen months across all states, representing a total of \$2.6 million. These claims have and are expected to continue to significantly erode the company's surplus.

### **Conclusions of Law**

The Director of the Department ("Director"), having reviewed the foregoing and Idaho Code § 41-2509(2), and acting pursuant to Idaho Code § 41-210(2), finds that a continuation of personal auto insurance policies by Sublimity can reasonably be expected to create a condition in the insurer hazardous to its policyholders, or to its creditors, or to its members, subscribers, or stockholders, or to the public, and hereby consents to their nonrenewal.

### **Order**

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

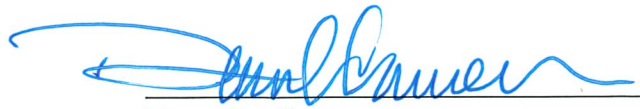
*It is hereby ordered* that Sublimity shall nonrenew all remaining personal auto insurance policies delivered or issued for delivery in Idaho, effective on the date of the policy's expiration, with the first nonrenewals not to occur before **January 1, 2025;**

*It is further ordered* that Sublimity shall notify all holders of personal auto insurance policies delivered or issued for delivery in Idaho of the impending nonrenewal of their policies not later than forty-five (45) days before the policy's expiration date;

*It is further ordered* that henceforth, Sublimity shall not transact any new personal auto insurance business in the State of Idaho, without first obtaining the Director's express permission.

Dated this 14 day of November, 2024.

State of Idaho  
Department of Insurance

  
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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, 3<sup>rd</sup> 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

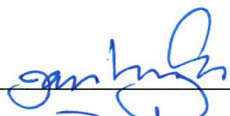
I hereby certify that on this 14<sup>th</sup> day of November, 2024, I caused a true and correct copy of the foregoing Order Consenting to Policy Nonrenewals to be served upon the following by the designated means:

Sublimity Insurance Company  
PO Box 219  
Sublimity, OR 97385

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

Matt K. Steen  
Deputy Attorney General  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

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

  
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Paralegal