

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

TENNESSEE INSURANCE DIVISION,
Petitioner,

vs.

SUNZ INSURANCE COMPANY,
Respondent.

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Docket No.: *12.01-121579J*

ORDER OF SUMMARY SUSPENSION

This Order issues as a result of a Petition filed by the Insurance Division of the Tennessee Department of Commerce and Insurance ("Division") and is based upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. Sunz Insurance Company ("Respondent"), an insurance company domiciled in the State of Florida, is currently doing business in the State of Tennessee.
2. Respondent has received a certificate of authority to sell property, casualty and surety insurance in Tennessee.
3. Respondent's 2012 annual statement indicates that, as of December 31, 2012, Respondent suffered a net loss of Ten Million, Three Hundred Seventy-One Thousand, Five Hundred Fifty-Six Dollars (\$10,371,556). This net loss amount represented a decrease in an amount of approximately 238% since year end 2011.

CONCLUSIONS OF LAW

4. Tennessee Code Section 56-1-416 provides that the Commissioner shall revoke or suspend all certificates of authority granted to an insurance company if the Commissioner is of the opinion, upon examination or other evidence, that a foreign insurance company is in an unsound condition or has failed to comply with the law and, upon such a finding, no new business shall be done by the company or its agents under suspension or revocation while such default or disability continues and not until its authority to do business is restored by the Commissioner.

5. Tennessee Code Section 56-1-417 provides, in pertinent part, that if the ground for revocation or suspension relates only to the financial condition or soundness, prior notice of the revocation is not required. Grounds for this summary suspension relate only to Respondent's financial condition or soundness.

6. Tennessee Code Section 4-5-320(c) states, in pertinent part, that if an agency finds that public health, safety, or welfare imperatively requires emergency action and incorporates a finding to that effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. These proceedings shall be promptly instituted and determined.

7. Tenn. Comp. R. & Regs. 0780-1-66-.03 provides:

(1) The following standards, either singly or in a combination of two or more, may be considered by the Commissioner to determine whether the continued operation of any insurer transacting an insurance business in this state might be deemed to be hazardous, financially or otherwise, to the policyholders, creditors or the general public. The Commissioner may consider, in addition to any other relevant factors, the following:

(f) Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, including but not limited to net capital gain or

loss, change in non-admitted assets, and cash dividends paid to shareholders, is greater than fifty percent (50%) of the insurer's remaining surplus as regards to policyholders in excess of the minimum required: ...

8. Based on the above Findings of Fact, continuation of Respondent's certificate of authority would be hazardous to its Tennessee policyholders due to its current financial condition. By virtue of the financial condition of Respondent's net loss at 238% as of December 31, 2012, Respondent's financial condition is deemed to be hazardous pursuant to Tenn. Comp. R. & Regs. 0780-1-66-.03(f) in violation of Tennessee Code Sections 56-1-416(a)(1)(A) and (2)(A). Respondent is not qualified to do business in Tennessee. Respondent is currently writing business in Tennessee. As policyholders ultimately rely upon Respondent's financial soundness when making claims, the public health, safety, and welfare necessitate summary relief in this case.

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

1. Respondent's certificate of authority to write property, casualty and surety insurance business in the State of Tennessee is hereby summarily suspended, pursuant to Tennessee Code Sections 4-5-320(c) and (d), until either (1) such time as a hearing is held on the merits of the Division's Petition; or, (2) such time as the Division can verify that Respondent's financial condition is no longer unsound and a hazard to policyholders of Tennessee and in violation of Tennessee Code Sections 56-1-416 (1)(A) and (2)(A).

2. If requested by Respondent, an informal conference shall be held within seven (7) business days upon issuance of this Order, pursuant to Tennessee Code Section 4-5-320(d), to discuss the circumstances affecting the public health, safety and welfare which warranted the issuance of this Order of Summary Suspension. A date for such informal conference will be set and

Respondent will be notified of the date when such informal conference may occur, should it request one.

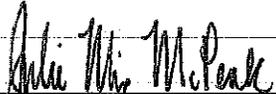
3. A hearing date shall be established as to all other matters raised in the Petition, and Respondent shall be notified of the time, date and place for such hearing.

Entry of this Order shall not in any way restrict the Division or the Commissioner from taking further action with respect to these or other possible violations by Respondent of Tennessee Law or any of the Rules promulgated thereunder.

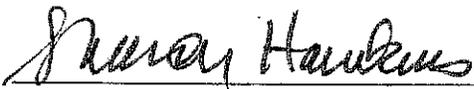
This order shall become a Final Order thirty (30) days from the date of its entry.

IT IS SO ORDERED.

ENTERED this the 5th day of June, 2013.


Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:


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