

STATE OF ARIZONA
DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

WESTERN GENERAL INSURANCE
COMPANY

(NAIC NO. 27502)

Respondent.

No. 21A-060-INS

ORDER SUMMARILY SUSPENDING
CERTIFICATE OF AUTHORITY AND
NOTIFICATION OF RIGHTS

The Arizona Department of Insurance and Financial Institutions (the "Department") alleges that Western General Insurance Company ("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 require emergency action, within the meaning of A.R.S. § 41-1092.11(B).

FINDINGS OF FACT

1. Respondent is domiciled in the State of California and currently holds a certificate of authority issued by the Department for the transaction of property and casualty insurance in Arizona.
2. Respondent's current financial condition is considered hazardous and places the public health, safety or welfare in imminent risk of harm for the following reason(s):
 - a. On May 25, 2021, the Insurance Commissioner of the State of California filed with the Superior Court of the State of California, County of Los Angeles (Case No. 21STCP01655), Verified Ex Parte Application for Order Appointing Insurance Commissioner as Conservator; Verification; Memorandum of Points and Authorities against Respondent.

1 **ORDER**

2 IT IS ORDERED summarily suspending the Arizona certificate of authority held by Western
3 General Insurance Company effective immediately.

4 DATED AND EFFECTIVE this 10th day of August, 2021.

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6 _____
7 Evan G. Daniels, Director
8 Arizona Department of Insurance and Financial Institutions

9 **NOTIFICATION OF RIGHTS**

10 **You have the right to request a hearing on this determination by filing a notice of appeal**
11 **after your receipt of this notice.** The notice of appeal must identify the party appealing, the party's
12 address, the matter being appealed and must contain a detailed statement of the reason for the appeal.
13 Your hearing will be treated as a "contested case" and promptly instituted and determined as prescribed
14 by A.R.S. §§ 41-1092.05(E) and 41-1092.11(B) to the extent the Office of Administrative Hearings'
15 calendar permits. In any event, your hearing will be held within 60 days of the filing of your notice of
16 appeal, unless the hearing is advanced or delayed by agreement or a showing of good cause by any
17 party. The Department will serve a "Notice of Hearing" in accordance with A.R.S. § 41-1092.05(D)
18 that will inform you of the date, time and location of the hearing as well as the issues to be determined.

19 If you file an appeal, you may also request an "informal settlement conference" pursuant to
20 A.R.S. § 41-1092.06 by filing a **written request no more than twenty (20) days before the scheduled**
21 **hearing.** The conference will be held within 15 days after our receipt of your request. If an informal
22 settlement conference is requested, a person with the authority to act on behalf of the Department will
23

1 be present. Please note that you waive any right to object to participation of the Department's
2 representative in the final administrative decision of the matter if it is not settled.

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

5 **Arizona Department of Insurance and Financial Institutions**
6 **Hearing Administration – Notice of Appeal**
7 **100 N. 15th Ave., Suite 261**
8 **Phoenix, Arizona 85007-2630**

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1 **COPY** of the foregoing mailed by
Certified Mail, Electronic Receipt Requested
2 this 12th day of August, 2021, to:

3 Western General Insurance Company 9489 0090 0027 6354 0205 23
Attn: Robert M. Ehrlich, President
4 5230 Las Virgenes Road, Suite 100
Calabasas, CA 91302

5 Western General Insurance Company
6 Attn: Daniel Mallut 9489 0090 0027 6354 0205 16
5230 Las Virgenes Road, Suite 100
7 Calabasas, CA 91302

8 **COPY** of the foregoing emailed/delivered same date to:

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

13 **COPY** of the foregoing delivered electronically same date to:

14 Western General Insurance Company
Attn: Marc O'Connell
15 moconnell@westerngeneral.com
Respondent – Government Relations

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

19 Ana Starcevic for
Francine Juarez