# DEFORE THE COMMISSIONER OF INSURANCE OF THE STATE OF KANSAS

In the Matter of the	)	
Danielson National Insurance Company	)	Docket No.4904-OF
	)	

### ORDER TO RESCIND

Now comes on this 1<sup>st</sup> day of September, 2016 before the Commissioner of Insurance of the State of Kansas ("Commissioner"), this Order to Rescind. Pursuant to K.S.A. 40-222b, K.S.A. 40-222d, K.S.A. 40-222e, and K.S.A. 77-501 *et seq.*, the Commissioner hereby makes the following findings of fact and conclusions of law. This Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

#### FINDINGS OF FACT

- 1. Danielson National Insurance Company (f/n/a Mission National Insurance Company) is a California domiciled insurance company. The registered corporate office is located at 444 West Ocean Boulevard, Suite 1070, Long Beach, California.
- 2. Danielson National Insurance Company secured its license to transact the business of insurance in the State of Kansas on September 29, 1981 pursuant to the authority of K.S.A. 40-901 and K.S.A. 2015 Supp. 40-1102.
- 3. The Commissioner of Insurance of the State of Kansas has jurisdiction over the subject matter of this proceeding and over the operation of Danielson National Insurance Company in this state, and this proceeding is held in the public interest.

- 4. On November 21, 1985, the Commissioner issued a Consent Order suspending Mission Insurance Group, Inc. and its subsidiaries', which included Danielson National Insurance Company (f/n/a Mission National Insurance Company), authority to transact the business of insurance in Kansas.
- 5. The Consent Order was placed on Danielson National Insurance Company (f/n/a Mission National Insurance Company) as a result of the financial condition that had resulted in a condition such that the continued operation of the company in this state might be hazardous to the insuring public.
- 6. On February 24, 1987, Mission National Insurance Company was placed into liquidation by the California Insurance Department as part of the liquidation of the Mission Insurance Group.
- 7. In 1990, pursuant to a court- approved rehabilitation plan, Mission
  National Insurance Company's shell was transferred to Danielson Holding Corporation
  while the liabilities remained in a Grantor Trust, the Mission National Insurance
  Company Trust which the trust's obligations are separate to that of the transferred
  company. Subsequently, Mission National Insurance Company's name was changed to
  Danielson National Insurance Company.
- 8. Effective November 14, 2014, Catalina Holdings (Bermuda) Ltd. and Alea Holdings U.S. Company acquired 100% of the issued and outstanding capital stock of Danielson National Insurance Company and its parent.
- 9. Danielson National Insurance Company has continued to maintain its
  Certificate of Authority in four states: California, Idaho, Kansas and Oregon. Currently,
  the Certificate of Authority in Idaho, California and Oregon are without restrictions.

- 10. Danielson National Insurance Company continues to service a minimal amount of personal auto and surety business in California but ceased writing new policies and was placed in run-off in 2012.
- 11. As of June 30, 2016, Danielson National Insurance Company is reporting capital and surplus of \$5,537,599.
- 12. On August 1, 2016, Catalina Holdings (Bermuda) Ltd. requested that the Kansas Insurance Department rescind the Consent Order for Danielson National Insurance Company.

### **CONCLUSIONS OF LAW**

K.S.A 40-103 and K.S.A. 40-105 give the Commissioner of Insurance plenary powers to regulate the business of insurance in the State of Kansas.

#### <u>ORDER</u>

#### IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:

1. The Consent Order, dated November 21, 1985, and referred to in paragraph #4 above, which suspended the authority of Danielson National Insurance Company (f/n/a Mission National Insurance Company), which then was a subsidiary of Mission Insurance Group and has since been acquired by Catalina Holdings (Bermuda) Ltd., a Bermuda registered and domiciled holding company, and Alea Holdings U.S. Company, a Delaware holding company, to transact the business of insurance in the State of Kansas, is hereby rescinded.

#### **NOTICE OF RIGHTS**

Danielson National Insurance Company is entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If Danielson National Insurance Company desires a hearing, they must file a written request for a hearing with:

Diane Minear, General Counsel Kansas Insurance Department 420 S.W. 9<sup>th</sup> Street Topeka, Kansas 66612

This request must be filed within fifteen (15) days from the date of service of this Order. If Danielson National Insurance Company requests a hearing, the Kansas Insurance Department will notify them of the time and place of the hearing and information on the procedures, rights of representation, and other rights of parties relating to the conduct of the hearing, before commencement of same.

If a hearing is not requested in the time and manner stated above, this Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. 77-613 *et seq.* In the event Danielson National Insurance Company files a petition for judicial review, pursuant to K.S.A. 77-613 *et seq.*, the agency officer to be served on behalf of the Kansas Insurance Department is:

Diane Minear, General Counsel Kansas Insurance Department 420 S.W. 9<sup>th</sup> Street Topeka, Kansas 66612

# IT IS SO ORDERED THIS / DAY OF SEPTEMBER, 2016, IN THE CITY

OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Ken Selzer, CPA
Commissioner of Insurance

By:

Diane Minear General Counsel

## **Certificate of Service**

I hereby certify that a true and correct copy of the foregoing Order was forwarded via first class mail, postage prepaid, and via email on the \_/\_\_\_\_ day of September, 2016 to:

Diane J. Legere Assistant Secretary Catalina U.S. Insurance Services LLC CityPlace II, 185 Asylum Street Hartford, CT 06103

Diane Minear

**General Counsel**