

FILED

FEB 02 2024

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
v.)
)
R&Q REINSURANCE COMPANY,)
)
Respondent.)

**INSURANCE COMMISSIONER
OKLAHOMA**

Case No. 23-0230-DIS

ORDER OF SUSPENSION OF CERTIFICATE OF AUTHORITY

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, having reviewed information received relating to R&Q Reinsurance Company, a Pennsylvania domiciled insurance company, (“Company”) and finds and orders as follows:

JURISDICTION

1. Glen Mulready is the Insurance Commissioner of the State of Oklahoma and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 *et seq.*
2. R&Q Reinsurance Company is authorized to do business in Oklahoma as an insurer pursuant to SBS Company Number 44196112 and NAIC CoCode 22705.

FINDINGS OF FACT

3. The Company was ordered into liquidation by the Commonwealth Court of Pennsylvania on March 23, 2023. The Insurance Commissioner of the State of Pennsylvania is the court appointed liquidator of the Company. (Exhibit “A”).
4. Oklahoma law mandates the revocation or suspension of an insurer’s certificate of authority if the insurer fails to maintain minimum statutory capital and surplus. *See* 36 O.S. § 618. The Company no longer meets the requirements for an Oklahoma certificate of authority pursuant

to 36 O.S. § 610 because of a deficiency of assets and for other reasons within the meaning of 36 O.S. § 618 and OAC 365:25-7-42.

5. The Company is in such a financial condition as to render further authorization of the Company to transact insurance business in this state hazardous to its policyholders or the people of this state within the meaning of 36 O.S. § 619(A)(3) and OAC 365:25-7-42.

CONCLUSIONS OF LAW

6. Pursuant to 36 O.S. §§ 618 and 619, the Insurance Commissioner has the authority to restrict the Company's insurance writings and suspend conduct of its insurance business in Oklahoma.

7. Pursuant to 36 O.S. §§ 618 and 619, the Insurance Commissioner, based on the above Findings of Fact, concludes as a matter of law that the Company should be immediately suspended from conducting business in Oklahoma. However, the Company should be allowed to continue to service existing policies, adjust claims under existing policies and do all matters necessary to attend to existing Oklahoma business and to abide by the terms of the Pennsylvania order of liquidation.

ORDER

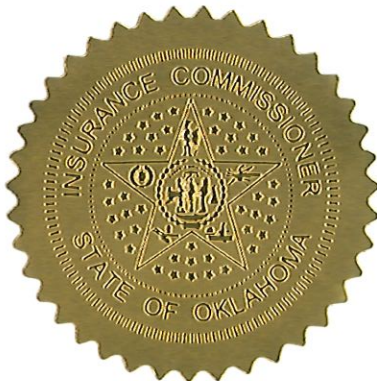
IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that R&Q Reinsurance Company is hereby **SUSPENDED** from doing business in Oklahoma. The Company may continue to service existing policies, adjust claims under existing policies and do all matters necessary to attend to existing business in Oklahoma and to abide by the terms of the liquidation ordered by Pennsylvania. The Findings of Fact above constitute behavior that is detrimental to the public and constitutes a threat of immediate danger and significant, imminent and irreparable public injury that is likely to continue if the Company is

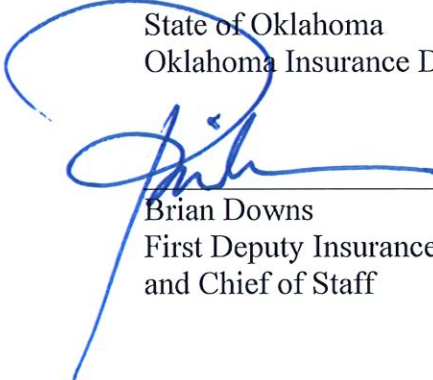
allowed to write new or renewal business. Therefore, this Order shall take effect immediately.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Company may request a hearing within thirty (30) days of receipt of this Order to determine if any reason exists that should preclude any of the actions taken herein. Any request for hearing should be in writing and addressed to Teresa L. Green, Oklahoma Insurance Department, Legal Division, 400 N.E. 50th St., Oklahoma City, OK 73105, and must state the grounds for the request to set aside or modify this Order. Pending hearing, this Order shall continue in full force and effect unless stayed by the Oklahoma Insurance Commissioner. Any such hearing shall be conducted according to the procedures for contested cases under the Oklahoma Insurance Code and the Oklahoma Administrative Procedures Act. The allegations contained herein shall be the subject matter for the hearing, and such allegations may be amended as additional information is discovered. The Oklahoma Insurance Commissioner or his appointed Hearing Examiner reserves the right to impose additional or different administrative discipline at the hearing, if warranted.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that if no hearing is requested within thirty (30) days of receipt of this Order, this Order shall become a Final Order.

WITNESS My Hand and Official Seal this 2nd day of February, 2024.



State of Oklahoma
Oklahoma Insurance Department


Brian Downs
First Deputy Insurance Commissioner
and Chief of Staff

CERTIFICATE OF MAILING

I, Teresa L. Green, hereby certify that a true and correct copy of the above foregoing *Order of Suspension of Certificate of Authority* was mailed via certified mail, with postage prepaid and return receipt requested, on this 5th day of February, 2024, to:

R&Q Reinsurance Company
2 Logan Sq Ste 600
Philadelphia, PA 19103

CERTIFIED MAIL NO. 9589 0710 5270 0679 4453 14

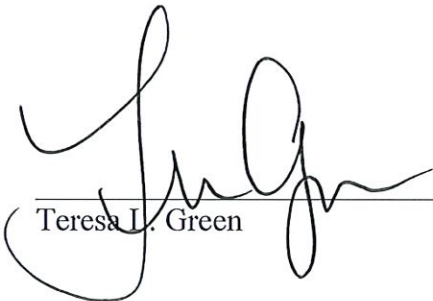
R&Q Re POC Administrator
c/o A.G. Risk Management, Inc.
3 Batterymarch Park Suite 101
Quincy, MA 02169

CERTIFIED MAIL NO. 9589 0710 5270 0679 4453 21

and a copy was delivered to:

Financial Division

and notification was sent to NAIC/RIRS.



Teresa L. Green

ASSETS OF THE ESTATE

4. The Liquidator is vested with title to all property, assets, contracts and rights of action (collectively, assets) of R&Q of whatever nature and wherever located, whether held directly or indirectly, as of the date of filing of the Petition for Liquidation. All assets of R&Q are hereby found to be *in custodia legis* of this Court and this Court asserts jurisdiction as follows: (a) *in rem* jurisdiction over all assets wherever they may be located and regardless of whether they are held in the name of R&Q or in any other name; (b) exclusive jurisdiction over all determinations as to whether assets belong to R&Q or to another party; (c) exclusive jurisdiction over all determinations of the validity and amounts of claims against R&Q; and (d) exclusive jurisdiction over the determination of the priority of all claims against R&Q.

5. The Liquidator is directed to take possession of all assets that are the property of R&Q. Specifically, the Liquidator is directed to:

- a) Inform all banks, investment bankers, companies, other entities or other persons having in their possession assets which are, or may be, the property of R&Q, unless otherwise instructed by the Liquidator, to deliver the possession of the same immediately to the Liquidator, and not disburse, convey, transfer, pledge, assign, hypothecate,

encumber or in any manner dispose of the same without the prior written consent of, or unless directed in writing by, the Liquidator.

- b) Inform all reinsurance intermediaries and other persons having sold policies or contracts of reinsurance issued by R&Q to account for and pay all unearned commissions and all premiums, collected or uncollected, for the benefit of R&Q directly to the Liquidator within 30 days of notice of this Order and that no reinsurance intermediary or any other person shall disburse or use monies that come into their possession and are owed to, or claimed by, R&Q for any purpose other than payment to the Liquidator.
- c) Inform all attorneys employed by or retained by R&Q or performing legal services for R&Q as of the date of this Order that, within 30 days of notification, they must report to the Liquidator the name, company, claim number (if applicable) and status of each matter they are handling on behalf of R&Q; the full caption, docket number and name and address of opposing counsel in each case; an accounting of any funds received from or on behalf of R&Q for any purpose in any capacity; and further, that the Liquidator need not make payment for this report or any unsolicited report.

d) Inform any entity that has custody or control of any data processing equipment and records (including but not limited to source documents, all types of electronically stored information, or other recorded information) relating to R&Q to immediately provide the Liquidator with full user access to all such electronically stored data, documents and information in whatever systems contain such data, documents and information, and to transfer custody and control of all such data, documents and information, in a form readable by the Liquidator, to the Liquidator as of the date of this Order, upon request.

e) Inform any entity furnishing claims processing or data processing services to R&Q to maintain such services and transfer any such accounts to the Liquidator as of the date of this Order, upon request.

6. R&Q's directors, officers and employees shall: (a) deliver and surrender peaceably to the Liquidator all the assets, books, records, files, credit cards, and other property of R&Q in their possession or control, wherever located, and otherwise advise and cooperate with the Liquidator in identifying and locating any of the foregoing; and (b) provide the Liquidator with access to the premises and data systems necessary to assess any R&Q business.

7. R&Q's directors, officers and employees are enjoined from taking any action, without the prior approval of the Liquidator, to transact further business on behalf of R&Q. They are further enjoined from taking any action that would waste the assets of R&Q or would interfere with the Liquidator's efforts to wind up the affairs of R&Q.

NOTICE AND PROCEDURE FOR FILING CLAIMS

8. No judgment or order against R&Q or its reinsureds entered after the date of filing of the Petition for Liquidation, and no judgment or order against R&Q or its reinsureds entered at any time by default or by collusion, will be considered as evidence of liability or of quantum of damages by the Liquidator in evaluating a claim against the Estate of R&Q.

9. In addition to the notice requirements of Section 524 of Article V, 40 P.S. § 221.24, the Liquidator shall publish notice in *Business Insurance* magazine and one newspaper of general circulation where R&Q has its principal places of business that: (a) specifies the last day for the filing of claims; (b) explains the procedure by which claims may be submitted to the Liquidator; (c) provides the address of the Liquidator's office for the submission of claims; and (d) notifies the public of the right to present a claim, or claims, to the Liquidator.

10. Within thirty (30) days of giving notice of the Order of Liquidation, as set forth in Section 524 of Article V, 40 P.S. § 221.24, and of the

procedures for filing claims against the estate of R&Q, the Liquidator shall file a compliance report with the Court noting, in reasonable detail, the date on which and manner by which these notices were given.

ADMINISTRATIVE EXPENSES

11. The Liquidator shall pay, as costs and expenses of administration pursuant to Section 544 of Article V, 40 P.S. § 221.44, the actual, reasonable and necessary costs of preserving or recovering the assets of R&Q.

12. Distribution of the assets of R&Q in payment of the costs and expenses of estate administration including, but not limited to, compensation for the services of employees and professional consultants, such as attorneys, actuaries and accountants, shall be made under the direction and approval of the Court.

STAY OF LITIGATION

13. Unless the Liquidator consents thereto in writing, no action at law or in equity, including, but not limited to, an arbitration or mediation, the filing of any judgment, attachment, garnishment, lien or levy of execution process against R&Q or its assets, shall be brought against R&Q or the Liquidator or against any of their employees, officers or liquidation officers for acts or omissions in their capacity as employees, officers or liquidation officers of R&Q or the Liquidator, whether in this Commonwealth or elsewhere, nor shall any such existing action be maintained or further prosecuted after the effective date of this Order. All above-enumerated

actions currently pending against R&Q in the courts of the Commonwealth of Pennsylvania or elsewhere are hereby stayed; relief sought in these actions shall be pursued by filing a proof of claim against the estate of R&Q pursuant to Section 538 of Article V, 40 P.S. § 221.38.

14. All secured creditors or parties, pledges, lienholders, collateral holders or other persons, claiming secured, priority or preferred interests in any property or assets of R&Q, are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, attach, dispose of, or exercise, purported rights in or against any property or assets of R&Q except as provided in Section 543 of Article V, 40 P.S. § 221.43.



Stacy Wallace, Judge