

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF PRIMEGUARD)
INSURANCE COMPANY, INC., a) Docket No. 06-04
Risk Retention Group.)

ORDER OF SUSPENSION OF AUTHORIZATION
TO TRANSACT BUSINESS

WHEREAS, Primeguard Insurance Company, Inc., a Risk Retention Group (hereinafter "Primeguard"), 201 Merchant Street, Suite 2400, Honolulu, Hawaii 96813, % State of Hawaii, DCCA – Insurance Division, P. O. Box 3614, Honolulu, HI 96811, is authorized to transact business in the State of Wyoming as a risk retention group; and

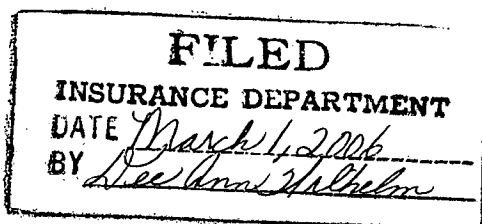
WHEREAS, the Circuit Court of the First Circuit, State of Hawaii, entered an Order of Liquidation on December 19, 2005, upon the Petition of J. P. Schmidt, Insurance Commissioner of the State of Hawaii, who was appointed as Liquidator;

WHEREAS, the Order of Liquidation found that Primeguard is insolvent and in a condition that the further transaction of business would be hazardous financially to its policyholders, creditors or the public;

WHEREAS, Wyo. Stat. §§ 26-36-111 and 26-36-112 allow the Insurance Commissioner of the State of Wyoming to impose penalties applicable to licensed insurers generally under the Insurance Code, including the suspension of a license and the right to do business as risk retention groups; and

WHEREAS, pursuant to Wyo. Stat. § 26-36-114, an order issued by any district court of the United States enjoining a risk retention group from soliciting or selling insurance or operating in any state or in all states or in any territory or possession of the United States upon a finding that such a group is in a hazardous financial condition shall be enforceable in the courts of this state ; and

WHEREAS, pursuant to Wyo. Stat. § 26-3-116(e), the Insurance Commissioner of the State of Wyoming may immediately suspend the authorization to transact business of a risk retention group against whom a proceedings for receivership, conservatorship, rehabilitation or other delinquency proceedings has been commenced in any state by the public insurance supervisory official of that state ;



IT IS HEREBY ORDERED that the authorization of Primeguard Insurance Company, Inc., a Risk Retention Group, to transact the business of a risk retention group be, and the same hereby is, suspended for a period of one year;

PROVIDED that during the suspension period such authorization to transact business may be reinstated upon Primeguard's motion and adequate proof to the Insurance Commissioner of the State of Wyoming that said company has solved the problems which led to the issuance of the Order of Liquidation by the Circuit Court of the First Circuit, State of Hawaii.

FURTHER PROVIDED, however, that if Primeguard fails to request a hearing and prove to the satisfaction of the Insurance Commissioner of the State of Wyoming that it has solved the problems which caused the Circuit Court of the First Circuit, State of Hawaii to issue the Order of Liquidation, its authorization to transact business shall terminate at the end of the one-year period and shall become permanently revoked pursuant to Wyo. Stat. § 26-3-118.

IT IS FURTHER ORDERED that Primeguard Insurance Company, Inc., a Risk Retention Group, shall forthwith surrender and deliver any authorization to transact the business of a risk retention group in the State of Wyoming to the Insurance Commissioner of the State of Wyoming within ten (10) days after receipt of this Order of Suspension pursuant to Wyo. Stat. § 26-3-113(c).

Done in Cheyenne, Wyoming this 1st day of March, 2006.



KENNETH G. VINES
WYOMING INSURANCE COMMISSIONER