

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF THE CERTIFICATE)
OF AUTHORITY OF CAPSON PHYSICIANS)
INSURANCE COMPANY) SUMMARY ORDER OF SUSPENSION
)
NAIC # 19348)

Now comes the Iowa Insurance Division (“Division”) pursuant to the provisions of the Iowa Insurers Supervision, Rehabilitation, and Liquidation Act – Iowa Code Chapter 507C and finds the following:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Doug Ommen, pursuant to Iowa Code § 505.8 (2019), administers and enforces the Iowa Insurers Supervision, Rehabilitation, and Liquidation Act – Iowa Code Chapter 507C. Commissioner Ommen has appointed James N. Armstrong as Deputy Commissioner of Supervision.
2. Capson Physicians Insurance Company (“Capson”) is an insurer with a last known mailing address of 2901 Via Fortuna, Suite 510, Austin, TX 78746.
3. Capson is and has been issued a Certificate of Authority with the Division since December 29, 1995.

II. FINDINGS OF FACT

4. The Division issued Capson a Certificate of Authority on December 29, 1995 and assigned NAIC number 19348.
5. Capson filed a Uniform Consent to Service of Process (the “Consent”) on September 29, 2010. In submitting the Consent, Capson designated the Commissioner as an agent for service of process.
6. On February 11, 2019, the Texas Commissioner of Insurance (the “TX Commissioner”), represented by the Office of the Attorney General, entered into the Agreed Order Appointing

Rehabilitator, Permanent Injunction and Notice of Automatic Stay (the "Order") with Capson and as ordered by the District Court of Travis County, Texas. The TX Commissioner was appointed as the statutory Receiver of Capson and is entitled to exercise all of the powers and authorities vested in the Receiver pursuant to the Order and applicable law.

III. CONCLUSIONS OF LAW

7. Iowa Code § 507C.60 (2019) provides that "without advance notice or a hearing, the commissioner may suspend immediately the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation, or other delinquency proceedings have been commenced in any state by the public insurance supervisory official of that state."

8. Capson is and has been in rehabilitation and subject to the Agreed Order Appointing Rehabilitator, Permanent Injunction, and Notice of Automatic Stay commended by the TX Commissioner which was effective on February 11, 2019.

IV. ORDER

IT IS THEREFORE ORDERED that:

A. The Iowa Certificate of Authority issued to Capson Physicians Insurance Company shall be immediately suspended. The period of suspension shall be continuous from the date of this Order until terminated by further written order of the Commissioner.

B. Capson Physicians Insurance Company shall not solicit or issue new policies of insurance or assume any Iowa risk.

C. Capson Physicians Insurance Company shall file its annual financial statement and pay any fees and taxes required to be paid under Iowa law.

D. Capson Physicians Insurance Company shall service any existing policies of insurance issued to persons residing in Iowa.

Dated this 16th day of May, 2019.

Iowa Insurance Division

/s/

JAMES N. ARMSTRONG
Deputy Commissioner of Supervision

NOTICE

Failure to comply with the provisions of this Order shall be grounds for further administrative action under Iowa Code Chapter 507C and other applicable insurance code chapters, or for injunctive relief in district court.

If you fail to request a hearing within 30 days of the date of this Order, the Order shall be a final Order of the Commissioner of Insurance and shall be enforceable by the Commissioner of Insurance in an administrative or court proceeding.

The failure to request a hearing can constitute a failure to exhaust your administrative remedies and limit the issues subject to judicial review. You may seek judicial review of this Order, pursuant to Iowa Code Chapter 17A, after the Order becomes final. The Order becomes final 30 days after it is issued if you do not timely request a contested case hearing, or 30 days following any ruling from a contested case hearing.

NOTICE OF RIGHT TO REQUEST HEARING

NOTICE IS HEREBY GIVEN that Capson Physicians Insurance Company may request a hearing in this matter. This request must be in writing and must be filed within 30 calendar days of the date of this Order, with Robert Koppin, Company Regulation Counsel, 601 Locust St., Fourth Floor, Des Moines, Iowa 50309. A notice of the hearing shall be prepared and shall be given at least 15 days before the date of the hearing unless the parties agree to an earlier date. The hearing shall be held within 90 days after the date of the notice of the hearing unless extended by the presiding officer for good cause with at least 15 days notice to the parties. The resulting hearing will be held in accordance with Iowa Code Chapter 17A.

Copy to:

Cantilo & Bennett, L.L.P., Special Deputy Receiver
Joseph West
11401 Century Oaks Terrace, Suite 300
Austin, Texas 78758

Robert Koppin
Company Regulation Counsel
Local