

**BEFORE THE NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE**

**January 5, 2021 8:07 AM**

IN THE MATTER OF CALIFORNIA )  
INSURANCE COMPANY, A NEW MEXICO )  
CORPORATION, f/k/a CALIFORNIA )  
INSURANCE COMPANY II )  
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**FILED**

**Docket No. 21-00001-COMP-CL**

**NOTICE TO SHOW CAUSE**

**COMES NOW** the New Mexico Superintendent of Insurance ("Superintendent"), pursuant to the New Mexico Insurance Code, NMSA 1978 59A-1-1 et seq., and on his own motion, **HEREBY FINDS AND CONCLUDES:**

1. On October 9, 2019, after notice and a public hearing, the Superintendent issued an order conditionally approving the application of California Insurance Company II ("CIC II") to acquire California Insurance Company ("CIC"), a California domiciled insurer, through a merger.

2. The Superintendent conditioned application approval upon (1) closure of stock purchase transactions relating to CIC on or before October 10, 2019; and (2) filing of articles of merger with the New Mexico Secretary of State.

3. CIC II completed the transactions upon which application approval were conditioned, and on October 9, 2019, the New Mexico Office of Superintendent of Insurance ("OSI") issued CIC II a certificate of authority to transact the business of insurance in New Mexico as a domestic insurer.

4. On November 4, 2019, OSI issued an amended certificate of authority based on approval of CIC II's request to change the name of CIC II to California Insurance Company, a New Mexico corporation ("CIC New Mexico").

5. It has been over 14 months since OSI authorized CIC New Mexico to transact the business of insurance in the state of New Mexico as a domestic insurer.

6. Pursuant to § 59A-34-10(A) NMSA 1978, every domestic insurer shall keep at its principal place of business in this state its original books, records, documents, accounts and vouchers in such manner that its financial condition can be ascertained.

7. Pursuant to § 59A-34-12(A) NMSA 1978, every domestic insurer shall keep its assets within this state except as requisite for normal transaction of business.

8. CIC New Mexico has failed to establish and maintain a principal place of business in this state and has failed to keep its original books, records, documents, accounts, vouchers and other assets within New Mexico, in violation of §§ 59A-34-10(A) and 59A-34-12(A) NMSA 1978.

9. Pursuant to § 59A-1-18 NMSA 1978, the Superintendent may issue an administrative penalty of up to five thousand dollars (\$5,000) for each violation of the New Mexico Insurance Code, except that if the violation is found to be willful and intentional, the penalty may be up to ten thousand dollars (\$10,000) for each violation. Furthermore, pursuant to § 59A-5-26 NMSA 1978, the Superintendent may suspend or revoke an insurer's certificate of authority to transact the business of insurance for any violation of the New Mexico Insurance Code.

**IT IS THEREFORE ORDERED:**

A. CIC New Mexico is ordered to show cause, within thirty (30) days from the date of this Notice, why it should not be fined in accordance with § 59A-1-18 NMSA 1978 and why its certificate of authority should not be suspended or revoked for its continued violation of §§ 59A-34-10(A) and 59A-34-12(A) NMSA 1978. The showing shall be made by filing in this docket, within thirty (30) days of the date of this Notice, sworn evidence to show that CIC New Mexico has not violated §§ 59A-34-10(A) and 59A-34-12(A) NMSA 1978, accompanied by a request for hearing pursuant to 13.1.6.8 NMAC.

B. All filings must be submitted by email or mail to:

**Email:**

[OSI-docketfiling@state.nm.us](mailto:OSI-docketfiling@state.nm.us)

**By mail:**

OSI Records/Docketing  
Office of Superintendent of Insurance  
P.O. Box 1689  
Santa Fe, New Mexico 87504

Properly filed pleadings or other documents are the responsibility of the person making the filing. Any party may call (505) 827-4499 to obtain assistance filing documents with OSI Records/Docketing.

C. If CIC New Mexico fails to comply with Paragraph A of this Notice within thirty (30) days, the Superintendent will issue a final order fining CIC New Mexico and revoking its certificate of authority to transact the business of insurance in the state of New Mexico.

**DONE AND ORDERED** at Santa Fe, New Mexico, this 5th day of January, 2021.



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**HON. RUSSELL TOAL**, Superintendent

## **CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that I caused a true and correct copy of the foregoing *Notice to Show Cause* to be delivered to the following persons, as indicated, on this 5th day of January, 2021:

**BY CERTIFIED MAIL**

California Insurance Company, NM  
c/o Jeffrey Silver, Esq.  
10805 Old Mill Road  
Omaha, NE 68154  
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USPS CERTIFIED MAIL TRACKING NO.:

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**BY CERTIFIED MAIL**

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