

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF
THE REGISTRATION OF
CAPITAL ASSURANCE RISK
RETENTION GROUP, INC.**

A.I.D. NO. 2008- 007

ORDER OF SUSPENSION

Now on this day the matter of the registration of CAPITAL ASSURANCE RISK RETENTION GROUP, INC., a South Carolina-domiciled insurer, is taken under consideration by Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Amanda Capps Rose, Associate Counsel, Legal Division of the Arkansas Insurance Department ("Department") and by the Finance Division of the Department. From the facts, matters and evidence before the Commissioner, she finds as follows:

1. The Commissioner has jurisdiction over the parties and the subject matter involved herein.
2. Capital Assurance Risk Retention Group, Inc. ("Capital Assurance"), NAIC No. 11194, is a South Carolina-domiciled, registered risk retention group doing business in the State of Arkansas.
3. On October 31, 2007, the Richland County, South Carolina, Court of Common Pleas issued an Order placing Capital Assurance in receivership for the purpose of rehabilitation ("Order").
4. The Order raises concerns for regulators about the soundness of the business operations and financial condition of Capital Assurance.

5. On this date the Commissioner has determined that the causes as stated make it appropriate and expedient to suspend the registration certificate of Capital Assurance.

6. Pursuant to Ark. Code Ann. § 23-94-212, the Commissioner hereby orders an immediate suspension of Capital Assurance's January 3, 2002 Arkansas Risk Retention Group Registration Certificate. This suspension shall continue unless the Commissioner shortens or rescinds this suspension or considers alternative action based on subsequent events in the South Carolina state court receivership and rehabilitation proceedings.

7. During the period of this suspension, Capital Assurance shall pay license and other fees and taxes as required under the Risk Retention and Purchasing Groups Act, Ark. Code Ann. §§ 23-94-201, *et seq.*, and applicable provisions of the Arkansas Insurance Code as if Capital Assurance's registration certificate had continued in full force.

IT IS SO ORDERED THIS 16th DAY OF JANUARY 2008.


JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS