

**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- 39

ORDER OF CANCELLATION

Now on this day the matter of the registration of CAPITAL ASSURANCE RISK RETENTION GROUP, INC., a South Carolina-domiciled risk retention group, is taken under consideration by Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas (“Commissioner”), as presented by Amanda Capps Rose, Associate Counsel for the Arkansas Insurance Department (“Department”) and by the Finance Division of the Department. From the facts, matters and evidence before the Commissioner, she finds and concludes 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 January 16, 2008, Capital Assurance’s Arkansas registration certificate was suspended by A.I.D. Order No. 2008-007.

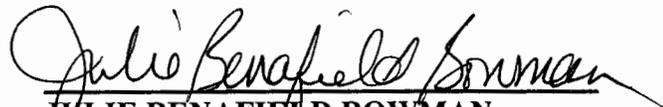
6. Capital Assurance has failed and refused to file its annual statement and pay taxes due on or before March 1, 2008 pursuant to Ark. Code Ann. § 23-94-210.

7. On May 14, 2008, legal counsel to the receiver for Capital Assurance represented to the Department that Capital Assurance has no plans to continue writing new insurance policies or return to active business of any kind.

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

9. Pursuant to Ark. Code Ann. § 23-94-212, the Commissioner hereby orders an immediate cancellation of Capital Assurance's January 3, 2002 Arkansas Risk Retention Group Registration Certificate.

IT IS SO ORDERED THIS 23rd DAY OF MAY 2008.


JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS