

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	
The Certificate of Authority of)	ORDER SUSPENDING
Passport Insurance Company,)	CERTIFICATE OF AUTHORITY
FEIN 93-0997527,)	
)	
Respondent.)	

N.D.C.C. § 26.1-01-03(1) requires the Commissioner of Insurance for the State of North Dakota to see that all the laws of the state respecting insurance companies and benevolent societies are executed faithfully.

Passport Insurance Company (“Respondent”) is an admitted domestic insurance company organized pursuant to N.D.C.C. Chapter 26.1-05.

N.D.C.C. § 26.1-03-19.2 requires the Commissioner to conduct an examination of any insurer licensed in North Dakota not less frequently than once every five years. The Commissioner last conducted an examination of Respondent in 2012.

N.D.C.C. § 26.1-03-19.3(2) states in relevant part:

The officers, directors, employees, trustees, and agents of the company or person must facilitate the examination and aid in the examination so far as it is in their power to do so. The refusal of any company, by its officers, directors, employees, trustees, or agents to submit to examination or to comply with any reasonable request of the examiners is grounds for suspension or refusal of, or nonrenewal of, any license or authority held by the company to engage in an insurance or other business subject to the commissioner’s jurisdiction.

The North Dakota Insurance Department (“Department”) has been attempting to conduct an examination of Respondent, as required by N.D.C.C. § 26.1-03-19.2, since June

2016. On June 28, 2016, the Department initially requested from Respondent documents necessary to commence the required examination. Respondent replied to the Department's request by and through its Vice President, Peter Halmos, on September 13, 2016, and stated that it would not provide the documents that the Department requested.

On September 28, 2016, the Department sent a request via certified mail to Respondent at the address Respondent provided to the Department to again request the documents necessary to commence the required examination. The letter was returned to the Department as "undeliverable." The Department sent this letter again on October 10, 2016, via certified mail to the address Respondent provided to the Department and the letter was again returned as "undeliverable."

On November 14, 2016, the Department's Company Licensing Director attempted to hand deliver the letter requesting the documents necessary to commence the required examination to Respondent's statutory office in Bismarck, North Dakota, and found that Respondent was no longer located there.

On November 14, 2016, the Department again sent a certified request for the documents necessary to commence the required examination to the address Respondent provided to the Department. The Department received acknowledgment of receipt from Respondent on December 5, 2016, with Respondent indicating through its "Vice President, Director, and Founder" Peter Halmos that it would only provide information not already in the Department's possession. As the Department does not have any of the documents it has been requesting through the numerous correspondences detailed in this Order, the Department has not received any of the documents requested in our initial June 28, 2016, correspondence.

On February 1, 2017, the Department sent an additional request via certified mail to Respondent for documents necessary to commence the required examination. Respondent acknowledged receipt of this letter on February 7, 2017. As of the date of this Order, Respondent has not responded to this request for the documents necessary to commence the required examination.

BASED ON THE FOREGOING, NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Certificate of Authority of Respondent authorizing it to transact the business of insurance in the State of North Dakota is hereby **SUSPENDED** until further Order of the Commissioner; and
2. During the period of suspension, Respondent, its agents, brokers, and representatives shall immediately cease and desist from the placement of any new business of insurance in the State of North Dakota; Respondent shall continue to make all filings and pay all fees and taxes as is required by the laws of the State of North Dakota; and Respondent, its agents, brokers, and representatives shall continue to service and accept renewal premiums under the limitations imposed by the North Dakota Insurance Department.

This Order is effective and dated this 31 day of May, 2017.



Jon Godfread
Commissioner
N.D. Insurance Department
600 East Boulevard Avenue
Bismarck, ND 58505
(701) 328-2440