



**FILED**

JUL 27 2023

INSURANCE REGULATION

Docketed by:   JA  

**OFFICE OF INSURANCE REGULATION**

**MICHAEL YAWORSKY**  
COMMISSIONER

IN THE MATTER OF:

TALISMAN CASUALTY INSURANCE COMPANY

CASE NO.: 309821-23

**INITIAL ORDER TO CEASE AND DESIST**

TO: TALISMAN CASUALTY INSURANCE COMPANY  
7881 W. Charleston Boulevard, Suite 210  
Las Vegas, NV 89117

**YOU ARE HEREBY NOTIFIED** that pursuant to the Florida Insurance Code, including but not limited to sections 624.307, 624.310, 624.401, 628.905, 626.9571, 626.9581, 626.9591, and 626.9601, Florida Statutes, the STATE OF FLORIDA OFFICE OF INSURANCE REGULATION (hereinafter referred to as “the OFFICE”) has caused an investigation to be made of the activities of TALISMAN CASUALTY INSURANCE COMPANY (hereinafter referred to as “TALISMAN”) with respect to its captive insurance activities. Pursuant to Section 634.439, Florida Statutes, the OFFICE intends to enter a Final Order requiring TALISMAN to cease and desist from engaging in the unauthorized and unlicensed business of a captive insurer association in the state of Florida. As grounds therefore, the OFFICE alleges that:

### **Jurisdiction**

1. Section 20.121(3)(a)1., Florida Statutes, provides, in part, that the OFFICE shall be responsible for all activities concerning insurers and other risk bearing entities, including licensing, rates, policy forms, market conduct, and claims.

2. Section 624.01, Florida Statutes, provides that Chapters 624-632, 634, 635, 636, 641, 648, and 651 constitute the “Florida Insurance Code.”

3. The OFFICE has jurisdiction over the subject matter hereof and parties herein pursuant to sections 624.307, 624.310, 624.401, 628.905, 626.9571, 626.9581, 626.9591, and 626.9601, Florida Statutes.

### **Findings of Fact**

4. TALISMAN’s principal place of business is located at 7881 W. Charleston Boulevard, Suite 210, Las Vegas, Nevada 89117.

5. TALISMAN is not and has never been authorized to transact insurance in the state of Florida.

6. Between February 15, 2021, to May 15, 2022, TALISMAN provided or offered to provide captive insurance to the residents of Florida without a license.

7. As of February 15, 2021, TALISMAN reported having one in-force captive participant contract in Florida.

8. As of June 24, 2022, TALISMAN surrendered its Certificate of Authority and ceased writing insurance in the state of Nevada.

### **Conclusions of Law**

9. Section 624.401(1), Florida Statutes, states that no person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly

transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

10. Section 624.02, Florida Statutes, defines “insurance” as “a contract whereby one undertakes to indemnify another or pay or allow a specified amount or a determinable benefit upon determinable contingencies.”

11. Section 628.901(2), Florida Statutes, defines “captive insurance company” as “a domestic insurer established under this part. A captive insurance company includes a pure captive insurance company, special purpose captive insurance company, or industrial insured captive insurance company formed and licensed under this part.”

12. Section 624.10(5), Florida Statutes, defines “transact,” as it relates to insurance, to include “any of the following, in addition to other applicable provisions of this code: (a) solicitation or inducement, (b) preliminary negotiation, (c) effectuation of a contract of insurance, and (d) transaction of matters subsequent to effectuation of a contract of insurance and arising out of it.”

13. Finally, Section 628.905(2), Florida Statutes, requires that:

To conduct insurance business in this state, a captive insurance company must:(a) Obtain from the office a license authorizing it to conduct insurance business in this state; (b) Hold at least one board of directors’ meeting each year in this state; (c) Maintain its principal place of business in this state; and (d) Appoint a resident registered agent to accept service of process and to otherwise act on its behalf in this state. In the case of a captive insurance company formed as a corporation of a nonprofit corporation, if the registered agent cannot with reasonable diligence be found at the registered office of the captive insurance company, the Chief Financial Officer of this state must be an agent of the captive insurance company upon whom any process, notice, or demand may be served.

14. TALISMAN's activities do not fall within the exceptions, exclusions or exemptions provided in Chapter 628, Part V, Florida Statutes, or any other provision of the Florida Statutes or federal law.

15 TALISMAN operated as a captive insurer in the state of Florida without the required license or certificate of authority. TALISMAN is not and has never been authorized to transact insurance in the state of Florida, but between February 15, 2021, to May 15, 2022, TALISMAN provided or offered to provide captive insurance to the residents of Florida without a license.

### **Cease and Desist**

16. Section 624.310 (3)(a), Florida Statutes, provides, in part, that:

CEASE AND DESIST ORDERS.—(a) The department or office may issue and serve a complaint stating charges upon any licensee or upon any affiliated party, whenever the department or office has reasonable cause to believe that the person or individual named therein is engaging in or has engaged in conduct that is: . . . A violation of any provision of the Florida Insurance Code[.]

17. Section 626.9571, Florida Statutes, provides, in part, that whenever the Office has reason to believe that any person is engaging in the business of insurance without being properly licensed as required, it shall conduct or cause to have conducted a hearing in accordance with chapter 120.

18. Section 626.9581, Florida Statutes, provides in part that:

After the hearing provided in s. 626.9571, the department or office shall enter a final order in accordance with s. 120.569. If it is determined that the person charged has engaged in an unfair or deceptive act or practice or the unlawful transaction of insurance, the department or office shall also issue an order requiring the violator to cease and desist from engaging in such method of competition, act, or practice or the unlawful transaction of insurance. Further, if the act or practice is a violation of s. 626.9541 or s. 626.9551, the department or office may, at its discretion, order any one of more of the following:

- (1) Suspension or revocation of the person's certificate of authority, license, or eligibility for any certificate of authority or license, if he or she knew, or reasonably should have known, he or she was in violation of this act.
- (2) Such other relief as may be provided in the insurance code.

**Proposed Agency Action**

19. Notice is hereby provided that the Office will enter a Final Cease and Desist Order in this matter, subject only to the Notice of Rights herein. In its Final Cease and Desist Order, the Office shall order TALISMAN to cease and desist acting as a captive insurer within the state of Florida without a license or certificate of authority.

20. TALISMAN shall honor all current and future obligations and liabilities arising from its contracts in Florida, if any, and will pay all obligations and liabilities that have arisen or may arise from its operations in Florida. In the event that any court or administrative action or any arbitration, mediation, or other judicial or quasi-judicial action listing TALISMAN as a party is filed in Florida, TALISMAN shall provide written notice to the Office within 30 days of the filing of said action.

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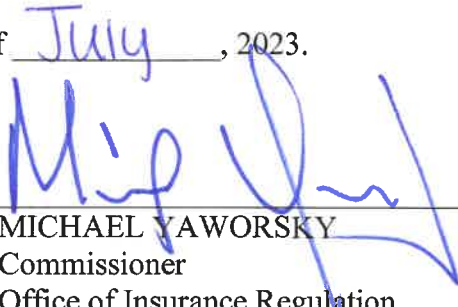
WHEREFORE, because TALISMAN has violated the Florida Insurance Code by operating as an unlicensed captive insurer in the state of Florida, in violation of Section 628.905, Florida Statutes, the OFFICE intends to issue a Final Order requiring the following:

A. TALISMAN is ordered, pursuant to Section 624.310 (3)(a), Florida Statutes, to cease and desist from engaging in the unlawful transaction of captive insurance business.

B. TALISMAN is ordered to run-off all remaining in-force policies covering Florida policyholders until zero policies remain in force.

DONE and ORDERED this 27<sup>th</sup> day of July, 2023.



  
MICHAEL YAWORSKY  
Commissioner  
Office of Insurance Regulation

## NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one may be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.2015, F.A.C., including but not limited to:

- a) A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the petition must so state; and
- b) A statement of when the respondent received notice of the agency's action.

These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

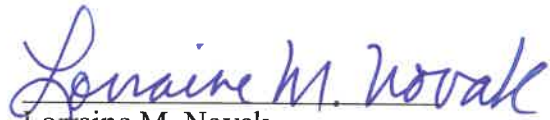
In some instances, you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Initial Order to Cease and Desist has been sent by U.S. Certified Mail this 27<sup>th</sup> day of July, 2023, to:

TALISMAN CASUALTY INSURANCE COMPANY  
7881 W. Charleston Blvd, Suite 210  
Las Vegas, NV 89117



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